AN ANALYSIS RELATIONSHIP BETWEEN SOCIAL EXCLUSION AND NON-RECIPIENTS ASNADF OF ZAKAT FUND (NRAZF)

Azhana Othman
Universiti Teknologi MARA, Malaysia
Abdul Halim Mohd Noor
Universiti Teknologi MARA, Malaysia
Arifin Md Salleh
Universiti Teknologi MARA, Malaysia

ABSTRACT

Zakat is an obligatory tax levied by Allah to the Muslim community as one of the tools to help the poor. Zakat aids provide opportunities to uplift themselves to higher socioeconomic levels. The portions received by the asnaf will able them to fulfill their basic needs and in turn the transaction will generate economic activities that will benefit them. On the other hand, the non-recipients asignaf are left out from these opportunities and are being poor, marginalized and social exclude. The monetary measures such as Poverty Line Income (PLI) and had al kifayah are the tools practiced by zakat institutions to determine the poor households. However, economists have argued that the current monetary poverty measurement is not able to reflect the multidimensional nature of poverty. Thus, there is a need to look at poverty from multidimensional perspective such as social exclusion. This study intends to explore the issues by understanding the determinants of NRAZF. The factors outlined in the paper are analyzed using the theoretical framework of social exclusion. Conclusions from the literature are drawn that states that being social exclude either individual, socio-cultural, economic-structural or institutional exclusion plays a key role in determine the NRAZF.

JEL Classification: J10, I39
Keywords: zakat; non-recipients asnaf of zakat fund (NRAZF); poverty; social exclusion
Corresponding Author's Email Address: azhana395@melaka.uitm.edu.my

INTRODUCTION

Zakat institutions are responsible as a medium to redistribute the wealth from the rich to the poor and to ensure the rightful zakat recipients or the asnaf. There are eight categories of those entitled to as zakat recipients as mentioned in the holy Quran(At Tawbah:60): Fagir (the needy), Miskin (the poor), Amil ( those in charge of administer, collection and distribution of zakat fund), Mualaf (the new Muslim or converts) ,Al Riqab (those who are freeing themselves from bondage), Al Gharimin (those who are in debt), Fisabilillah (those who serve the cause of Islam) and Ibn Sabil ( the wayfarer). Zakat funds must distributed to the eight asnaf with priorities to the asnaf Muqaddam that are the needy (fakir), poor (miskin), zakat worker (amil) and new Muslim (mualaf) (At Tawbah: 60).

In practice, zakat institutions use the monetary approach in measuring poverty through the had al kifayah (necessities of a household) or the Poverty Line Income (PLI) method. Had al-kifayah is defined as minimal basic necessities for one well-being. Each state has different calculation on had al-kifayah for different households depending on different variables and prices according to location and area and also the number of household members and age group in the households. On the other hand, PLI is determined by Economic Planning Unit (EPU) based on absolute poverty. Both approaches identify poverty as a shortfall in consumption (had al-kifayah) or income (PLI). A person is considered to be poor if his/her income is below a threshold income. The monetary approach was origin by Booth in 1887 and Rowantree in 1902 (Lu, 2012).

Other than this monetary approach, another measurement of poverty is the non-monetary approach focusing on social exclusion. If the monetary approach is more individualistic where it only measures the household’s income, the social exclusion lends to study the structural characteristics of society and groups which can generate and characterize exclusion. Social exclusion is defines as a process through which individual or groups are wholly or partially excluded from full participation in the society in which they live (Burchardt, Le Grand & Piachaud, 2002).
The most important challenge of the zakat institutions is how to distribute zakat fund to the right target. Thus, in the effort to enhance zakat distribution, there are two challenge facing by the zakat institutions; firstly, to determine the level of minimum standard of living for the poor and needy either using had al kifayah or the PLI (poverty line index) for those poor and needy who come and ask for zakat and secondly, to identify the poor and needy who did not come and ask for zakat (Yusof Qardhawi, 2009).

In surah Az-Zaariyat: 19 mentioned the right of the poor on zakat, whether they request for zakat aid or not. Those poor people have the right for zakat but they did not receive the zakat fund. This will be the most public concern especially zakat payees regarding how zakat is distributed to the rightful asnaf. Several lacking issues of zakat distribution throughout Malaysia were found in the literature especially in the problem of identifying the rightful asnaf (Hairunnizam et.al, 2009), (Mohd Syukri, 2006) and there was evidence that some asnaf being denied their right to zakat (Abd Halim et.al, 2010). The issue arise is why the excluded asnaf of zakat fund feel they are poor but their application being rejected by zakat institutions? There are also those who are eligible to receive zakat but ignore or refuse it. Are the reasons were due to some drawback in the monetary measurement? These point out that the multidimensional of poverty emphasis a need of a new variable for poverty measurement consisting of social exclusion approach. Although, there are abundance researches on monetary poverty, the research on non-monetary focusing on social exclusion in Malaysia is still dearth.

This conceptual paper is intended to identify the determinants of NRAZF using social exclusion approach. Therefore, the inquiry questions are (1) What are the determinants of NRAZF? And (2) Can status of zakat recipients (i.e. applied or not applied for zakat) be correctly predicted from individual, social-cultural, economic-structural and institutional social exclusion? Thus far, none of these studies utilize the empirical study on the eligible asnaf who are voluntary or involuntary excluded from the zakat fund and its determinants on why they are being rejected or marginalized/social exclude from receiving the zakat fund. In the Malaysian context, studies on marginalization/social exclude is focused heavily amongst Orang Asli (Fauzi, 2012), inequality among ethnic and regional (Jomo K. S. & Wee C.H.H, 2004), unfair inequality and discrimination in society (Malakar & Senapati, 2010), discrimination in education (Stewart, 2008) rather than social exclusion. Given this research gap, this study proposes the social exclusion approach in understanding the determinants of NRAZF on the determinants that led them being excluded from zakat fund. This study also will examine those determinants and make recommendations for future research.

THEORETICAL OVERVIEW: SOCIAL EXCLUSION

An individual is socially excluded if (a) he or she is geographically resident in a society, (b) he or she cannot participate in the normal activities of citizens in that society, and (c) he or she would like to so participate, but is prevented from doing so by factors beyond his or her control’ (Burchardt, Le Grand and Piachaud, 1999, p.229).

Marginalized and social exclusion are frequently used synonymously and some consider social exclusion and marginalization to be the same phenomenon (Kagan & Burton, 2010), others see marginalization as one possible consequences of social exclusion (K.M Ziayauddin, 2009) and (Kagan & Burton, 2010). Hence, in this study, the concept of social exclusion is used to describe the NRAZF. Social exclusion need not relate solely to the process of being socially excluded (dynamic), but also denote the condition of being socially excluded (static) (Gijsbers & Vrooman, 2007). Social exclusion involves different dimensions and each includes different indicators to measure each dimensions.

Gijsbers & Vrooman (2007) denote two main aspects of social exclusion as 1) economic-structural exclusion and 2) social-cultural exclusion. The economic-structural exclusion is divided into two aspects that are: a material (income and goods) and a non-material (social right). While, the social-cultural exclusion are divided into two aspects: social integration (social relations and network) and cultural integration (values and norms). The dimensions are illustrated in table 1:

<table>
<thead>
<tr>
<th>TABLE 1. DIMENSIONS OF SOCIAL EXCLUSION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Economic-structural exclusion (distributional dimension)</strong></td>
</tr>
<tr>
<td>1. Material deprivation</td>
</tr>
<tr>
<td>Deficiencies in relation to basic needs and material goods: lifestyle deprivation; problematic debts; payment arrears</td>
</tr>
<tr>
<td>2. Inadequate access to government and semi-government provisions(social rights): waiting lists, financial impediments and other obstacles to: health</td>
</tr>
<tr>
<td><strong>B. Socio-cultural exclusion (relation dimension)</strong></td>
</tr>
<tr>
<td>3. Insufficient social integration</td>
</tr>
<tr>
<td>A lack of participation in formal and informal social networks, including leisure activities; inadequate social support; social isolation</td>
</tr>
<tr>
<td>4. Insufficient cultural integration</td>
</tr>
<tr>
<td>A lack of compliance with core norms and values associated with active social citizenship, indicated by a</td>
</tr>
</tbody>
</table>
care, education, housing, legal aid, social services,
debt assistance, employment agencies, social
security, commercial service (banking and
insurance); insufficient safety

weak work ethic, abuse of social security system,
delinquent behavior, deviating views on the rights and
duties of men and women, no involvement in the local
neighborhood and society at large

Source: Gijsbers & Vrooman (2007, p17)

Another dimension, Institutional exclusion implicates the poor access to private institution such as banks or insurance company that the poor can turn for help to reduce uncertainties of life (Kronauer, 1997; Böhnke, 2001). Atkinson (2000) and Farrington (2011) mentioned that institutional as a social system from which people are excluded such as form legal system, education, health, political rights, justice and bureaucracy. Only Piachaud (1997) stressed the importance of institutional success especially welfare institution in influencing poverty and social exclusion. From the reviews of literature, general pattern of social exclusion’s dimensions are extracted, it is concluded that individual, economic-structural, social-cultural and institutional have impact on people being excluded as shown in table 1:

### TABLE 2. SUMMARY ON ASPECTS OF SOCIAL EXCLUSION DIMENSIONS:

<table>
<thead>
<tr>
<th>Dimensions of social exclusion</th>
<th>Characteristics</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Physical health, education, disability</td>
<td>Burchardt et.al(1999); Levitas et.al(2007)</td>
</tr>
<tr>
<td>Economic-structural</td>
<td>Material (income and goods) &amp; Non material (social rights)</td>
<td>Jehoel-Gjisbers &amp; Vrooman (2007); Bayram et.al (2011)</td>
</tr>
<tr>
<td>Social-cultural</td>
<td>Social integration (relations and networks) &amp; Cultural integration (values and norms)</td>
<td>Jehoel-Gjisbers &amp; Vrooman (2007); Bayram et.al (2011); Levitas et.al (2007)</td>
</tr>
<tr>
<td>Institutional</td>
<td>Rules, policies, processes</td>
<td>Beall &amp; Piron (2005); Atkinson (2000); Farrington (2011)</td>
</tr>
</tbody>
</table>

Sources: Burchardt et.al (1999); Levitas et.al (2007); Jehoel-Gjisbers & Vrooman (2007); Bayram et.al (2011); Beall & Piron (2005); Atkinson (2000); Farrington (2011)

Thus, adding the institutional exclusion in determinants of social exclusion would help to ensure the better understanding of the problem of NRAZ in terms of zakat institution. Hence, the above idea would become the central theme of the study. In relevance to this study, this four dimensions of social exclusion will be adopted as a theoretical framework to analyze the determinants of NRAZF on why are they are rejected or marginalized (excluded) from zakat fund. In brief, this study highlights four determinants of NRAZF are based on individual exclusion, economic-structural exclusion, social-cultural exclusion or institutional exclusion as shown by figure 1.
CASE STUDY: NON RECIPIENTS ASNAF OF ZAKAT FUND

Who are the NRAZF? It refers to those eligible for zakat but their applications were rejected by the zakat institution and those who are poor and needy but left out or marginalized/social exclude from receiving zakat fund. The two categories of NRAZF in this research are namely, 1) applied for zakat but had been rejected and 2) did not apply for zakat. The reasons on why NRAZF did not apply for zakat are then categorized into two aspects, either they are naive or ignorant of the availability of zakat fund or they refuse to request or accept zakat fund for personal reasons (Azhana & Abd Halim, 2013a; 2013b).

The main aspects of NRAZF are:

1) The rejected zakat applicants: those who had applied for zakat fund but were being rejected
2) The determinants on why the applicants had been unsuccessful or rejected should be analyzed to make sure that the determinants are of the economic or had kifayah criteria rather than administrative criteria; such as place of origin, length of occupant in one place and others.
3) The naive or ignorant: those who did not know how to apply for zakat fund
4) The second category of the excluded asnaf are those who are left out from the available source to get help and also relate to the effectiveness of the promotion and delivery of information to the public and the effectiveness of the zakat staff in searching for potential zakat recipients.
5) The refusers: those who refused to apply for zakat fund based on their own reasons.

The third category of asnaf that excluded from zakat fund involved those who choose not to apply for zakat fund or any help. Is it due to the zakat fund was not sufficient to fulfil the poor households’ basic need? Or is it due to the personal reasons to this ignorance?
FIGURE 2. SUMMARY ON CATEGORY OF NRAZF

![Diagram of categories: Apply for Zakat, Rejected Zakat Applicants, Ignorance or Unawareness, Did Not Apply for Zakat, Refusal to Request or Accept Zakat.]

Source: Azhana & Abd Halim (2013)

The study of Non-Recipients Asnaf of Zakat Funds (NRAZF) seeks to provide a clear picture of the determinants on why they are marginalized or socially excluded. Exclusion of these groups from zakat fund compromised the objective of zakat institution especially zakat distribution and jeopardized poverty alleviation measures and development programs. Identification of the determinants contributes to further enhancement of institutional zakat management in both zakat distribution as well as zakat collection.

Income generation from monetary approach can help to alleviate poverty but often only in the short term. A short-term, temporary or seasonal alleviation poverty strategy includes generating income generation, providing safety nets and easy access to credit. While, a long-term poverty alleviation strategies require changes in policies of education, health and social security (Lu, 2012). For better understanding the poor, there is a need to shift from poverty reduction strategies solely focused on income generation activities to strategies encompassing a shift in poverty analysis to include its human, economic, sociological and institutional dimensions (Burchardt et.al,1999; Levitas et.al,2007; Jehoel-Gjisbers & Vrooman,2007; Bayram at.al,2011; Beall & Piron,2005; Atkinson,2000 and Farrington,2011).

CONCLUSION

The findings led to a conclusion about the determinants of NRAZF with the four dimensions of social exclusion perspective and make recommendations for future research. It concern on whether individual or a group of individuals have voluntarily chosen to exclude themselves? (individual exclusion) or on the other hand, is it they are socially excluded for reasons beyond their control? (economic-structural exclusion, social-cultural exclusion or institutional exclusion).

* Acknowledgement
The authors would like to extend our acknowledgement for the support given by Higher Education Ministry of Malaysia under Exploratory Research Grant Scheme (ERGS) and University Technology MARA for sponsoring us with a grant that make us capable of accomplishing the research paper.

REFERENCES


