THE RELATIONSHIP BETWEEN POVERTY ELIMINATION AND ASNAF ENTREPRENEURIAL SCHEME

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2011
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ABSTRACT

This study investigates the relationship between poverty elimination and asnaf entrepreneurial scheme. It attempts to examine the economic role of zakah through asnaf entrepreneurial scheme to reduce income inequalities or poverty. A research model was developed based on previous study and observation. The target population of this study is the participants of asnaf entrepreneurial scheme in Kedah. A structured questionnaire was constructed to collect necessary data to answer the research questions. The problem in conducting this study was the limited resources from the previous study. The other problem is the number of participant in asnaf entrepreneurship scheme is quite small and it is difficult to reach them as they reside in different district. The objectives of this study are to examine the relationship on how asnaf entrepreneurial scheme towards poverty elimination. This study used the quantitative method involving 60 participants of asnaf entrepreneurial scheme conducted by Jabatan Zakat Negeri Kedah. The study revealed that the three approaches (Poverty Elimination, Asnaf’s Quality of Life and Human Capital) did not truly have a positive relationship with asnaf entrepreneurial scheme. The study found that asnaf entrepreneurial scheme reduces poverty. However, the analyses revealed that asnaf entrepreneurial scheme did not really help asnaf’s quality of life and their personal awareness (human capital).
ABSTRAK

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Together we are the greatest, May Allah consecrates us...
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List of Abbreviations

Abbreviations

ADP : Annual Development Program
DEB : Dasar Ekonomi Baru
DV : Dependent Variable
HIPC : Highly Indebted Poor Countries
IIUM : International Islamic University Malaysia
JZNK : Jabatan Zakat Negeri Kedah
KUIN : Kolej Universiti Insaniah
LDC : Least Developed Countries
LZS : Lembaga Zakat Selangor
MAINS : Majlis Agama Islam Negeri Sembilan
MAIWP : Majlis Agama Islam Wilayah Persekutuan
MARA : Majlis Amanah Rakyat
MECD : Ministry of Entrepreneur and Co-operative Development
NEP : New Economic Policy
PSZ : Lembaga Zakat Selangor
PUSBA : Pusat Bimbingan Dan Latihan Saudara Baru
PUZ : Pusat Urus Zakat
SAW : Sallallahu 'Alaihi Wasallam
SPSS : Statistical Package for Social Sciences
SWT : Subhanahu Wa Ta’ala
TEKUN : Tabung Ekonomi Kumpulan Usaha Niaga
UM : Universiti Malaya
UUM : Universiti Utara Malaysia
CHAPTER ONE
INTRODUCTION

1.1 Introduction

This chapter discusses on the overview of research background and field of study. The problem statement is focusing on the areas of zakah as a main feature to eliminate poverty through business. Moreover, this chapter also draw attention on the research questions, research objectives, scope of study and significant of the research. On the other hand, this research aims to review the concept of zakah, asna‘ and entrepreneurial development using zakah funds in Malaysia.

1.2 Background of Study

Azhar Nadeem (2010) expressed that zakah is the “right” of poor in wealth of rich. Payers of zakah do not oblige poor by giving zakah rather they just give them due “right”. Islam has compulsory this obligation as one of the five pillars of Islam. Someone who does not believe on any of these five pillars should not claim themselves as Muslim. It has been proof that zakah is really important in Islam as Allah has emphasized it several times in his Holy Quran:
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