A *ZAKAT* DISTRIBUTION MANAGEMENT FOR *ASNAF* EMPOWERMENT AT *LEMBAGA ZAKAT NEGERI KEDAH* (LZNK)

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Abstract

Zakat is an integral part of the Islamic financial system, serving as a mechanism to purify wealth and improve the welfare of the community. Although *zakat* institutions have long been present in Malaysia, challenges remain in ensuring equitable distribution of *zakat* to *asnaf* and ensuring that the distribution system effectively empowers them economically. This study uses General Systems Theory (GST) to examine the interrelationship between *zakat* and human capital, and their integration into an efficient distribution model. The study uses a qualitative methodology by conducting in-depth interviews, and thematic analysis assisted by ATLAS.ti software to show that while LZNK's *zakat* distribution is in line with *maqasid syariah*, there is a need for integration of technological tools, such as the Zakat on Touch platform, and stronger empowerment programs to foster sustainable socio-economic independence for asnaf. The findings suggest that LZNK's initiative to develop a comprehensive empowerment strategy, which includes skills training and capital provision, is critical to reducing the *asnaf's* dependence on *zakat*. However, challenges such as the accuracy of *asnaf* selection, transparency of fund distribution, and resolution of socio-economic issues remain. The report concludes with recommendations to improve *zakat* management through increased community participation, advancement of technology systems, and creation of programs that focus on developing long-term empowerment to transform *asnaf* from recipients to donors of *zakat*.

Keywords: *Zakat*, Distribution Management, *Asnaf* Empowerment, *Lembaga Zakat Negeri Kedah* (LZNK).

Abstrak

Zakat adalah sebahagian daripada sistem kewangan Islam, berfungsi sebagai mekanisme untuk memurnikan kekayaan dan meningkatkan kesejahteraan masyarakat. Walaupun institusi zakat telah lama wujud di Malaysia, cabaran kekal dalam memastikan pengagihan zakat yang saksama kepada asnaf dan memastikan sistem agihan berkesan memperkasakan mereka dari segi ekonomi. Kajian ini menggunakan Teori Sistem General (GST) untuk mengkaji perkaitan antara zakat dan modal insan, dan integrasinya ke dalam model pengagihan yang cekap. Kajian menggunakan metodologi kualitatif dengan menjalankan temu bual mendalam, dan analisis tematik dibantu oleh perisian ATLAS.ti untuk menunjukkan bahawa walaupun pengagihan zakat LZNK selari dengan maqasid syariah, terdapat keperluan untuk penyepaduan alat teknologi, seperti platform Zakat on Touch, dan program pemerkasaan yang lebih kukuh untuk memupuk kemerdekaan sosio-ekonomi yang mampan. Dapatan kajian menunjukkan bahawa inisiatif LZNK untuk membangunkan strategi pemerkasaan yang menyeluruh, termasuk latihan kemahiran dan peruntukan modal, adalah penting untuk mengurangkan pergantungan asnaf kepada zakat. Namun begitu, cabaran seperti ketepatan pemilihan asnaf, ketelusan pengagihan dana, dan penyelesaian isu sosioekonomi masih kekal. Laporan ini diakhiri dengan saranan untuk menambah baik pengurusan zakat melalui peningkatan penyertaan masyarakat, kemajuan sistem teknologi, dan pewujudan program yang memfokuskan kepada pembangunan pemerkasaan jangka panjang untuk mengubah asnaf daripada penerima kepada penderma zakat.

Kata kunci: Zakat, Model Pengurusan Agihan, Pemerkasaan Asnaf, Lembaga Zakat Negeri Kedah (LZNK).

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Table of Contents

List of Tables

List of Figures

List of Abbreviations

LZNK	*Lembaga Zakat Negeri Kedah*
KWSP	Employee Provident Funds
ASNB	Amanah Saham National Berhad
GST	General System Theory
ZoT	*Zakat* on Touch
MAIN	*Majlis Agama Islam Negeri*
UUM	Universiti Utara Malaysia
IPIZ	*Institut Penyelidikan & Inovasi Zakat*
UCoE	University Centers of Excellence

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Zakat, one of the five pillars of Islam, serves not only as a means of wealth purification but also as an essential tool for addressing poverty and promoting social welfare. However, despite the long history of *zakat* institutions in Malaysia, including *Lembaga Zakat Negeri Kedah* (LZNK), significant challenges persist in the efficient distribution of zakat, especially in empowering *asnaf*. While *zakat* provides immediate relief, many *asnaf* remain dependent on *zakat* assistance for prolonged periods, which hinders their ability to achieve economic independence and self-sufficiency.

This prolonged dependence on *zakat* highlights fundamental problems in the existing *zakat* system, such as the lack of comprehensive and sustainable empowerment. Current *zakat* distribution mechanisms often focus on short-term financial assistance rather than long-term solutions that address the root causes of poverty. *Asnaf* may receive *zakat* funds, but without additional support, such as skills training, business capital, and social empowerment programs, they struggle to break free from the cycle of dependency. As a result, *zakat* fails to fully reach its potential in lifting *asnaf* out of poverty and enabling them to contribute to society as future *zakat* payers (*muzakki*) rather than recipients (Mohd Fizol et al., 2022).

The need for more efficient distribution of *zakat* that reaches beyond temporary relief is urgent. A comprehensive approach that integrates empowerment strategies such as skills development, education, and capital provision can significantly improve the lives of *asnaf* by equipping them with the means to achieve economic independence.

Research by Hashim et al. (2019) underlines that the empowerment of *asnaf* involves more than just financial assistance. It demands a comprehensive plan centered on sustainable development and self-reliance.

This study seeks to examine the current *zakat* distribution management at LZNK. By exploring the challenges in the current system and analysing the potential for integrating empowerment-focused strategies, this research aims to develop a *zakat* distribution management that not only meets immediate needs but also addresses the long-term economic independence of *asnaf*. This approach is essential for creating a more equitable and sustainable *zakat* system that contributes to the socio-economic upliftment of the underprivileged in Malaysia.

1.2 Problem Statement

Zakat plays an important role in supporting the socio-economic well-being of *asnaf*, but the current *zakat* distribution system often fails to achieve sustainable empowerment for them. While *zakat* institutions such as LZNK have provided essential financial assistance to *asnaf*, many recipients are still trapped in a cycle of dependency, unable to achieve economic independence in the long run. The problem is related to the current *zakat* distribution management, which mainly focuses on temporary assistance rather than strategies that aim to empower *asnaf* to be relieved from poverty (Mohd Fizol et al., 2022).

As detailed in Table 1.1, the distribution of zakat that has been carried out by LZNK has shown a significant allocation of funds when viewed from the LZNK annual report in 2019-2021.

Table 1.1
Distribution Zakat at Lembaga Zakat Negeri Kedah (LZNK) (2019-2021)

Asnaf	**2019**		**2020**		**2021**	
	Receiver	Total	Receiver	Total	Receiver	Total
Al-Gharimin	27	RM 57,798.40	75	RM 60,707.43	785	RM 414,427.38
Amil	5263	RM 25,998,379.72	4581	RM 24,214,947.57	4426	RM 28,449,436.42
Riqab	5	RM 29,386.15	69	RM 17,379.90	9132	RM 3,339,725.50
Fakir	62	RM 127,800.00	20292	RM 45,187,674.32	14231	RM 34,920,575.50
Fi sabilillah	38931	RM 64,778,360.36	33713	RM 66,532,404.50	33793	RM 59,222,849.44
Ibn sabil	120	RM 180,036.00	83	RM 1,296.30	28	RM 71,437.38
Poor	26473	RM 98,290,566.48	4104	RM 58,112,487.26	16632	RM 77,885,497.94
Muallaf	352	RM 3,160,194.01	366	RM 1,571,320.19	234	RM 1,440,871.94
Total (RM)	71233	RM 192,622,521.12	63283	RM 195,698,217.47	79261	RM 205,744,821.50

Sources: *Lembaga Zakat Negeri Kedah* (LZNK) website.

Based on the data above, despite this considerable effort, most of the funds are allocated to immediate needs such as food, healthcare, and basic living expenses rather than investing in sustainable empowerment initiatives that would enable *asnaf* to become economically independent. The challenge with the current distribution management is that, while *zakat* can address short-term financial needs, it does not effectively integrate long-term solutions such as skills training, business capital, or other empowerment programs that can help *asnaf* become independent from dependency on *zakat* assistance.

Previous research relating to *zakat* distribution has highlighted various challenges, including the lack of effective empowerment programs, lack of focus on skills development, and failure to provide *asnaf* with opportunities to generate their income. For example, research by Hashim et al. (2019) emphasized that although *zakat* funds are provided, the lack of accompanying programs such as education, training, and business support may prevent *asnaf* from achieving financial independence in the long run. This issue is evident from the data showing that despite the large allocation of *zakat* funds, *asnaf* still faces dependency on continuous assistance, which suggests that the current distribution is not sufficient to achieve sustainable empowerment (Hamid et al., 2023). The gap in the current management of *zakat* distribution underscores the need for more comprehensive management that integrates long-term empowerment strategies, including skills training, provision of business capital, and psychological support. Although some initiatives, such as skills development programs, have been implemented by LZNK, their scale and integration are still insufficient to create a significant long-term impact. In addition, previous research has not fully explored how these empowerment strategies can be integrated into the management of *zakat* distribution.

Therefore, this research seeks to critically examine the existing management of *zakat* distribution and its limitations in achieving sustainable *asnaf* empowerment. This research will identify gaps in current practices and propose how to improve the management of *zakat* distribution that prioritizes *asnaf* empowerment, ensuring that they can move from dependency to independence. By focusing on empowerment through *zakat*, this research aims to offer a more holistic and long-term approach to poverty alleviation.

1.3 Research Questions

1. How is *zakat* distribution managed at LZNK to ensure effective *asnaf* empowerment?

2. What are the key *zakat*-funded programs implemented by LZNK to enhance *asnaf* empowerment?
3. What are the socio-economic impacts of *zakat* distribution on *asnaf* in Kedah?

1.4 Research Objectives

1. To examine the *zakat* distribution management at LZNK in ensuring effective *asnaf* empowerment.
2. To identify and evaluate *zakat*-funded programs at LZNK that enhance *asnaf* empowerment.
3. To assess the socio-economic impacts of *zakat* distribution on *asnaf* in Kedah.

1.5 Significance of the Study

This research is crucial as it aims to advance both theory and practice in *zakat* management, particularly in the area of *asnaf* empowerment. By examining the management and distribution practices of LZNK, this research will provide insights to improve the effectiveness of *zakat* in addressing the socio-economic challenges faced by *asnaf*. This research will help to improve the existing *zakat* management model by focusing on sustainable empowerment strategies, such as skills development and educational opportunities, rather than just short-term financial assistance. In the end, the findings of this research will inform policy recommendations, improve the socio-economic welfare of the *asnaf*, and serve as a basis for future research in enhancing the *zakat* distribution system for long-term impact.

1.6 Scope of the Study

This study focuses on the management of *zakat* distribution in LZNK with a specific emphasis on ensuring effective *asnaf* empowerment. This study will examine how *zakat* funds are distributed and managed by LZNK to create long-term socio-economic independence for *asnaf* rather than just meeting their immediate needs. The study will also identify and evaluate *zakat*-funded programs implemented by LZNK, such as skills development, business capital support, and education, which aim to enhance *asnaf* empowerment. Furthermore, this study will assess the socio-economic impact of *zakat* distribution on *asnaf* in Kedah, examining how these efforts have contributed to improving their living standards and fostering financial independence. The study will be limited to *zakat* distribution practices and programs in Kedah, utilizing qualitative research methods such as interviews and document analysis to gather insights from relevant stakeholders.

1.7 Definition of Key Terms

1.7.1 Zakat Distribution Management

It uses *zakat* distribution management as a foundation by which *zakat* is effectively managed and distributed very transparently. It ranges from the issue of *zakat* collection right to its distribution among beneficiaries, which would relate to *asnaf*. The elements involved in the *zakat* distribution management are highlighted below, which entails:

1. *Zakat* collection

   The identification of *Muzakki*, collection through various methods, direct contributions, and institutional channels. For example, in Malaysia, a centralized method is followed in order to ensure more transparency and efficiency in *zakat* collection (Mukhlishin et al., 2024).

2. Categorization of beneficiary

   The classification of *asnaf* is based on Qur'anic criteria, such as groups of the *Fakir* and poor. Any realistic categorization allows *zakat* to reach the neediest (Rihadatul Aisy, 2024).

3. Allocation of *zakat*

   Identify beneficiaries and conduct the allocation and distribution of *zakat*. This may involve targeted support in education, health, and capital assistance to start business ventures (Putri et al., 2024).

4. Monitoring and evaluation

   Monitoring and evaluation of how the *zakat* is used ensures that the amount distributed to recipients is judiciously used to bring about community development.

5. Transparency and accountability

   The collection and distribution of *zakat* should be carried out transparently. It can be done by public reporting on the use of *zakat* (Rihadatul Aisy, 2024).

1.7.2 Asnaf Empowerment

Empowerment is defined as a process through which individuals or groups are empowered to enhance their capabilities, knowledge, and beliefs for betterment in their lives. This aims to give them power and control over their social, economic, or political lives (Malta, 2023). *Asnaf* empowerment refers to empowering individuals who are recipients of *zakat* (*asnaf*) to raise their potential and get out of poverty through various support and assistance programs. *Asnaf* empowerment is focused on efforts to improve *zakat* recipients' economic, educational, and social welfare (Meerangani, 2019).

1.8 The Organisation of the Study

This thesis is structured into five chapters. Chapter One provides a general introduction to the research topic, including the background of the study, problem statement, research questions, research objectives, and research significance. This chapter also elucidates the study's scope and limitations, clarifies the definition of crucial terms, and concludes by outlining the study's structure.

Chapter Two presents a literature review on the concepts of *zakat*, *zakat* distribution management, and *asnaf* empowerment. This chapter aims to provide a theoretical framework that underlies the research and outlines relevant previous research.

Chapter Three delineates the research methods employed, encompassing the research framework, research design, operational definition, population and sample, data collection techniques, and data analysis. This chapter elucidates the qualitative research methodology, which utilizes interviews in this study.

In Chapter Four, the researcher presents the findings and discusses the research conducted. The data collected will be analyzed and presented in tables, graphs, and narrative descriptions to provide a clear picture of the situation under study. In addition, this chapter also discusses the results of the research concerning the theory and literature review previously described. The discussion highlights the implications of the findings, identifies the *asnaf's* obstacles, and evaluates the implemented program's effectiveness.

Chapter Five summarizes the research results, explains how the research contributes to existing knowledge, and provides recommendations for future practice and research. Policymakers, *zakat* institutions, and other researchers interested in similar topics receive these recommendations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

In this chapter, the researcher presents a literature review on managing *zakat* distribution specifically aimed at empowering *asnaf*. This includes an in-depth study of the concept of *zakat*, *zakat* distribution management, and the integration of empowerment strategies in *zakat* management. Furthermore, the chapter explores the theoretical framework underlying the development of *zakat* distribution models, particularly focusing on how such models can contribute to empowering *asnaf* and promoting long-term economic independence.

2.2 Concept of *Zakat*

2.2.1 Definition of Zakat

Zakat is one of the main pillars in the Islamic economy that functions as a religious obligation as well as an important wealth redistribution instrument for the socio-economic welfare of the people. Since the time of the Prophet Muhammad SAW, *zakat* has been a vital aspect of Muslim life. The management of *zakat*, which includes collection, management, and distribution, has evolved from the traditional system directly managed by the leader of the people, namely the Prophet Muhammad SAW, to a more structured system during the Khulafa' al-Rashidin period with the appointment of *amil zakat* officers. During the Umayyah and Abbasiyah dynasties, *zakat* institutions were established to organise collection and distribution. Although *zakat* management declined during colonial rule, many Muslim countries after independence sought to revive the *zakat* system by establishing formal *zakat* institutions (Aulia et al., 2025).

Zakat is one of the leading legal requirements for Muslims, where they are obliged to spend part of their income on recipients based on established criteria. The main objective set for the distribution of *zakat* is to improve the socio-economic status of recipients and the community. *Zakat* can be one method to overcome poverty and enhance the community's standard of living by distributing the money needed to those worthy of receiving *zakat* assets (Ahmad et al., 2015). Meanwhile, Sohag et al. (2015) highlighted that poverty alleviation is one of the functions of *zakat* through various aspects. First, *zakat* can be identified as a transfer of capital from *zakat* payers to recipients so that they can start a business or diversify their sources of income. In the same study, they also revealed that due to the receipt of *zakat*, there will be an increase in revenue and expenditure for the household's standard of living. In this way, *zakat* supports social empowerment for skills development, business development, and progress to improve quality of life. *Zakat* is considered an obligation in Islam to reduce the burden of low-income people because it aims to eliminate social injustice and encourage the formation of a prosperous society. If appropriately addressed and combined with other better efforts, *zakat* can also bring about significant changes in the poverty situation in our society.

2.2.2 Types of Zakat

In general, there are two types of *zakat*, namely *zakat* traditional and *zakat* contemporary. The following is a description of the types of *zakat*, including:

2.2.2.1 Zakat Traditional

Traditional *zakat* refers to the types of *zakat* that are firmly rooted in classical Islamic teachings and are based on tangible assets. This type of *zakat* has been practiced since the early days of Islam, with a focus on wealth more directly related to physical goods and agriculture. Traditional forms of *zakat* include:

2.2.2.1.1 ***Zakat Fitrah***

Zakat fitrah is a payment imposed on every Muslim man and woman who meets certain conditions. *Zakat fitrah* is also referred to as the obligatory *zakat* to break or end the fast in the month of *Ramadhan*. *Zakat* fitrah is no longer used when the payment is made after the *Eid al-Fitr* prayer. According to the holy Qur'an, paying zakat fitrah can purify one's practices during the month of *Ramadhan* and subsequently bring success in this world and the hereafter.

> *"Consistently performing their prayers. And who give the rightful share of their wealth."* (Qur'an: 70: 23-24)

Zakat fitrah is not the same as *zakat* on property, although it is one of the *zakat* that must be paid. *Zakat fitrah* is *zakat* that aims to return a Muslim to his *fitrah* by purifying their soul from sins caused by association or other factors. This leads to a person deviating from his *fitrah*. It is an obligation for all followers of Islam, regardless of their age.

In Malaysia, the *zakat fitrah* amount is set by each *Majlis Agama Islam Negeri* (MAIN) and is usually calculated based on the type of basic food most commonly consumed by the local community, such as rice. Generally, the rate of *zakat fitrah* in Malaysia ranges from RM 7 to RM 14 per person, depending on the type of rice used as the *zakat* measure (Mohd Tahir et al., 2018).

2.2.2.1.2 *Zakat al-Maal*

Wealth is referred to as "*al-mal*" because everyone basically likes wealth. According to *fiqh* scholars, the criteria of wealth consist of two components, namely economic value and benefit. *Zakat al-maal* is classified into several types, including *zakat* on gold, silver, income, livestock, agricultural products, and business. This sort of *zakat* is obligatory of all Muslims who own *zakat* assets that meet the *nisab*. The following is a description of the types of *zakat al-maal*, including:

1. *Zakat* on Gold and Silver

   The scholars agree that gold and silver are subject to *zakat*. In Surah al-Taubah, verse 34, Allah says:

   > *"O believers! Indeed, many rabbis and monks consume people's wealth wrongfully and hinder others from the Way of Allah. Give good news of a painful torment to those who hoard gold and silver and do not spend it in Allah's cause."* (Qur'an: 9: 34)

   The *nisab* for gold is set at twenty dinars, equivalent to 96 grams, while the *nisab* for silver is two hundred dirhams or about 672 grams. The rate of *zakat* imposed on gold and silver that has reached the *nisab* is 2.5%. This is as said by the Prophet Muhammad SAW:

   > *"There is no zakat due on gold of fewer than twenty dinars, and if it reaches twenty dinars, then zakat is half a dinar (2.5%)."*

Jewellery of gold and silver kept without use is also subject to *zakat*. However, jewellery that is used legally, such as gold rings used by women or silver rings used by men, is not subject to *zakat*. However, excessive or luxurious jewellery is still subject to *zakat*, even if women use it. Extravagant jewellery is defined as something that goes beyond the normal usage in a community or if the usage is considered excessive (Ali et al., 2018).

2. *Zakat* Business

   Business *zakat*, also known as trade *zakat*, is paid on profits obtained from a business. This *zakat* must be paid by those whose ownership is in the hands of a Muslim, and the goods must reach the *nisab*. *Zakat* will be donated at 2.5% of the value of all commodities traded on the stock market. This *zakat* is an act of giving on business capital, existing assets, stocks, and business profits (Zannah et al., 2024).

3. *Zakat* Agriculture

   Agricultural *zakat* is an Islamic obligation imposed on agricultural products that fulfil certain conditions, namely the *nisab*. Agricultural *zakat* has an important social function in helping those in need as well as strengthening solidarity within the community. Agricultural *zakat* is not only limited to certain crops. Still, it is usually imposed on agricultural products that are produced commercially and have reached the *nisab* determined by scholars, such as rice, fruits, and other crops. According to Islamic regulations, if a person has agricultural produce that reaches the *nisab,* then they are obliged to set aside a portion of the produce as *zakat.* The percentage of *zakat* for agriculture is 10% if water is used naturally and 5% if irrigation is used (Ab Rahman et al., 2019).

4. Livestock

Zakat on livestock is a compulsory levy imposed on animals such as camels, goats, and cows when they reach a certain *nisab*. For example, in the case of goats, the *nisab* starts at five goats, which requires the owner to give one goat as *zakat* for every five goats owned. In addition, livestock must be kept for one full year (*haul*) before they are eligible for *zakat*. In order to be subject to *zakat*, livestock must be in good health and capable of generating economic benefits.

The main objective of livestock *zakat* is to promote equitable wealth distribution within society and reduce economic disparities. By requiring contributions from capable livestock owners, *zakat* ensures that those in need receive the necessary assistance. In addition to being a religious obligation, livestock *zakat* also serves as a social and economic mechanism that improves societal welfare and maintains financial balance within agricultural and pastoral communities (Munif, 2012).

5. *Rikaz*

Zakat on *Rikaz* is imposed on hidden treasures or found objects from the past, such as gold, silver, or other valuable objects, which are found in the ground or hidden places without the owner knowing. It can be a relic of an ancient civilisation or a hoarded treasure that does not come from one's labour. According to Islamic law, *zakat* on *rikaz* is levied at the rate of 20% (1/5) of the total treasure found. Unlike other types of *zakat* that have a *nisab* limit and a certain period of ownership (*haul*), *rikaz zakat* is immediately obligatory when the treasure is discovered, without considering the *nisab* and *haul*. This *zakat* aims to redistribute wealth to the community, especially to those in need (Lestari, 2016).

2.2.2.2 Zakat Contemporary

Contemporary *Zakat* refers to newer forms of *zakat* applied to modern financial instruments and assets. This categorization emerged following the development of the global economy, which introduced new forms of wealth beyond traditional tangible property. Contemporary *zakat* includes:

2.2.2.2.1 *Zakat* Income

Zakat income is *zakat* charged on income earned by individuals from work or business, such as salaries, fees, and business results. It is a type of asset *zakat* and is obligatory for every Muslim who fulfils certain conditions, such as having sufficient income.

According to the Qur'an and hadith, *zakat* income is considered a social and religious responsibility, where a Muslim is expected to give a portion of their income to the poor and those eligible to receive *zakat* (Bakar & Rashid, 2010). Several verses in the Qur'an emphasise the importance of giving *zakat* from what has been earned and indicate that *zakat* is part of the obligations of a believing Muslim, as explained in the Qur'an Surah Al-Baqarah verse 267:

> *"O believers! Donate from the best of what you have earned and of what we have produced for you from the earth. Do not pick out worthless things for donation, which you yourselves would only accept with closed eyes. And know that Allah is Self-Sufficient, Praiseworthy."* (Qur'an: 2: 267)

2.2.2.2.2 *Zakat* on Employee Provident Funds (KWSP)

Zakat on Employee Provident Funds (KWSP) refers to the obligation to pay *zakat* imposed on savings in the KWSP after fulfilling certain conditions. KWSP *zakat* is mandatory when the savings fulfil two main conditions: sufficient *nisab* (the minimum amount that must be owned) and reaching haul (one year) after receiving the contribution money. The amount to be paid is usually 2.5% of the total savings after meeting the *nisab* and *haul* conditions (Abdullah & Rosele, 2019).

The decision of the *Darul Aman* State Fatwa Committee regarding the KWSP is as follows:

> *"After discussion, the Committee thinks that the KWSP will issue the zakat when it is known, according to the annual statement, that the nisab is sufficient and the haul is complete. According to the KWSP regulations, a person cannot withdraw his money unless the employee is 50 years old, for withdrawal of 1/3 and all of it when the employee reaches 55 years old. Therefore, the zakat can be issued when receiving his savings, calculated from the date the savings first reach the haul along with the nisab is sufficient."* (LZNK, 2023)

2.2.2.2.3 *Zakat* on Shares

Zakat on shares refers to the obligation to pay *zakat* imposed on the ownership of shares, one of the forms of wealth in the modern economy. In general, *zakat* is a pillar of Islam that obliges individuals to give a portion of their wealth to the rightful recipients. In the context of shares, *zakat* is imposed when share ownership meets the requirements of *nisab* and *haul.* Scholars have varying understandings of how to calculate *zakat* on shares. Some scholars distinguish between shares invested for long-term purposes, such as dividends, and shares purchased for trading purposes, such as capital gains. Methods of valuing *zakat* may be varied, including calculating *zakat* based on the value of the shares in the market at the end of the *haul* or based on the profit earned from the sale of the shares. Each *zakat* institution, especially in Malaysia, has a *fatwa* governing how *zakat* on shares is calculated, with some institutions emphasising that *zakat* is only imposed on shares that fulfil shariah criteria. Therefore, *zakat* on shares is an implementation of the principle of *zakat* on modern financial assets, where the valuation methodology may vary depending on the opinion of the scholars and the applicable local regulations (Endut et al., 2015).

2.2.2.2.4 *Zakat Amanah Saham* National *Berhad* (ASB)

Zakat Amanah Saham National *Berhad* (ASNB) refers to the *zakat* obligation imposed on investments in unit trusts managed by *Amanah Saham* National *Berhad* (ASNB). This institution offers investments to Malaysians. *Zakat* is one of the pillars of Islam that requires individuals to give a portion of their wealth to those entitled to receive it, with a general rate of 2.5% of eligible assets. In the context of ASNB's *zakat*, the accounting process involves determining the *zakat* liability based on the shareholder's intention when investing. This intention is an important factor in determining how *zakat* is calculated. If the shareholder intends to benefit through annual dividends, the *zakat* imposed will be based on such income. This issue becomes more complex when it involves the intention to trade, buy, and sell legally, which follows business *zakat* guidelines. Therefore, accurate *zakat* accounting is necessary to ensure that the amount of *zakat* paid is appropriate while fulfilling the religious obligations of the shareholders (Zahri et al., 2023).

2.2.3 Asnaf

Asnaf is an Islamic term that refers to the eight groups of *zakat* recipients described in the Qur'an. This concept is important to channel *zakat* appropriately to those who need it. Based on Surah At-Taubah (9:60), eight groups of *asnaf* are entitled to receive *zakat* among them:

2.2.3.1 Fakir

Fakir are those who are so poor that they do not have enough wealth or income to fulfil their basic needs. They rely heavily on *zakat* assistance for their daily survival.

2.2.3.2 Poor

The poor include individuals whose income is insufficient to fulfil their basic needs, although they are not in extreme poverty. This group is also in dire need of support in order to improve their standard of living (Bremer, 2013).

2.2.3.3 Amil

Amil are the people who are responsible for receiving and distributing *zakat*, which is a form of charity in the term used in Islam. Therefore, this policy paper states that the governance of *amil* is very important to minimize mismanagement and optimize the achievement of goals in *zakat* institutions. The main criteria that define *amil* include background, modality of appointment and replacement, discipline, expectations and goals, and rewards (Mohamad Nor et al., 2021). On the other hand, Zaenal et al. (2016), stated that *amil* is a term used to describe a person or organization that manages and distributes *zakat*. In *zakat* literature, the term '*amil* can basically be equated with a *zakat* collection center manager in terms of managing assets, collecting them, and distributing them to entitled beneficiaries.

2.2.3.4 Muallaf

Muallaf are those who have recently joined Islam or whose faith is still weak and need guidance to strengthen their faith and integration into Muslim society. *Zakat's* assistance supports this process of stabilizing their faith.

2.2.3.5 Riqab

Riqab is a group that experiences bullying or slavery in various forms. *Zakat* is expected to help free them from this situation so that they can regain their independence and prestige (Rosli et al., 2018).

2.2.3.6 Gharimin

Gharimin includes individuals who are trapped in debt and financial difficulties and cannot fulfill their needs without external assistance. *Zakat* here serves to ease the burden of debt and provide an opportunity for economic recovery (Bremer, 2013).

2.2.3.7 Fi sabilillah

Fi Sabilillah is those who endeavor in the way of Allah, for example, in *da'wah* efforts, religious education, or other social activities that support the interests of the *Ummah*. *Zakat's* assistance to this group aims to support struggles that benefit the wider community.

2.2.3.8 Ibn sabil

Ibn Sabil refers to travelers who run out of funds during their journey and are unable to return to their hometowns. *Zakat* is given as a form of assistance so that they can complete their journey or return home safely.

2.3 *Zakat* Distribution Management

Zakat distribution management is a process that includes planning, collecting, managing, and distributing *zakat* funds to eligible recipients (*asnaf*) effectively and efficiently. The main objective of this management is to ensure that *zakat* functions as an optimal socio-economic instrument in reducing poverty and improving the welfare of the people. The main components of *zakat* distribution management include:

2.3.1 Zakat Collection

This initial stage involves identifying potential sources of *zakat* and developing strategies to optimize fund collection. Proper planning includes determining the goals and objectives to be achieved, the actions to be implemented, the appropriate organizational form, and the appointment of individuals responsible for the activities. The use of information technology can improve efficiency in the *zakat* collection process. For example, the implementation of digital platforms has been proven to make it easier for *muzakki* (*zakat* payers) to fulfill their obligations, thereby increasing the amount of funds collected.

2.3.2 Zakat Allocation

After the funds are collected, transparent and accountable management is key to ensuring that they are utilised in accordance with Sharia principles and achieve the desired goals. Monitoring and evaluation are needed to assess the effectiveness of the programme. Good management of *zakat* funds can increase public trust in *zakat* institutions, which in turn can increase participation and the amount of funds collected.

2.3.3 Zakat Distribution Strategies

The distribution of *zakat* must be targeted in accordance with the determined *asnaf* categories. Assessment of the impact of *zakat* distribution is needed to evaluate the effectiveness of *zakat* programmes in reducing poverty and improving social welfare. Effective implementation of *zakat* distribution can help *mustahik* out of economic difficulties and achieve independence (Putri et al., 2024).

2.4 *Asnaf* Empowerment

Asnaf empowerment refers to efforts aimed at enhancing the socio-economic conditions of *zakat* recipients (*asnaf*) by providing them with financial and non-financial support to achieve self-sufficiency and long-term sustainability. According to Ismail et al. (2023), empowering *asnaf* requires effective *zakat* distribution strategies that incorporate structured financial assistance, skill development, and entrepreneurship programs to transform beneficiaries into economically independent individuals.

In this regard, one effective model of *asnaf* empowerment involves providing benevolent loans (*Qard al Hassan*) that enable recipients to engage in entrepreneurial activities. This approach has been shown to facilitate business development and improve financial stability among *asnaf* entrepreneurs. Furthermore, the concept of *asnaf* empowerment aligns with social entrepreneurship theories, which emphasize sustainable economic development through innovative and community-driven business practices (Abu Hassan et al., 2024).

Additionally, a study by Ismail et al. (2023b) highlights the role of *zakat* institutions in implementing digital transformation strategies to enhance the effectiveness of *asnaf* empowerment. By utilizing financial planning, strategic partnerships, and advanced technology, *zakat* management bodies can improve the efficiency of *zakat* distribution and contribute to *asnaf's* long-term socio-economic stability.

Thus, *asnaf* empowerment is not merely about providing financial aid but also about fostering economic participation, skill enhancement, and business sustainability, ensuring that *zakat* recipients transition from dependency to self-reliance.

2.5 Underpinning Theory

General System Theory (GST) will be utilised in this study as the underpinning theory to explore the *zakat* distribution management and its role in empowering *asnaf* at LZNK. This approach facilitates the understanding of the complicated interactions among the various components of the *zakat* system. The analysis involves examining the interactions between inputs, processes, outputs, and feedback mechanisms to identify how they collectively contribute to achieving the goal of empowerment and effective distribution. By integrating these elements, this study aims to provide insight into the dynamics of *zakat* distribution and its socio-economic impact on targeted beneficiaries.

2.5.1 General System Theory (GST)

General System Theory (GST) is an interdisciplinary approach developed by Ludwig von Bertalanffy (1968), which aims to understand and explain complex phenomena in various fields of science, including biology, psychology, and sociology. GST defines a system as a collection of interacting elements, where these interactions create new properties that cannot be explained by simply analysing the elements in isolation. One of the main goals of GST is to integrate different disciplines by identifying general principles that apply across different levels of reality, from the physical to the social. Bertalanffy notes that the development of GST is in line with trends in modern thinking involving abstract models and generalizations and contributes to fields such as cybernetics and information theory. GST provides a comprehensive framework for understanding complexity and interconnections within various systems while also having practical applications in research and the development of relevant methods across different disciplines (Bertalanffy, 1968) (See Figure 2.1).

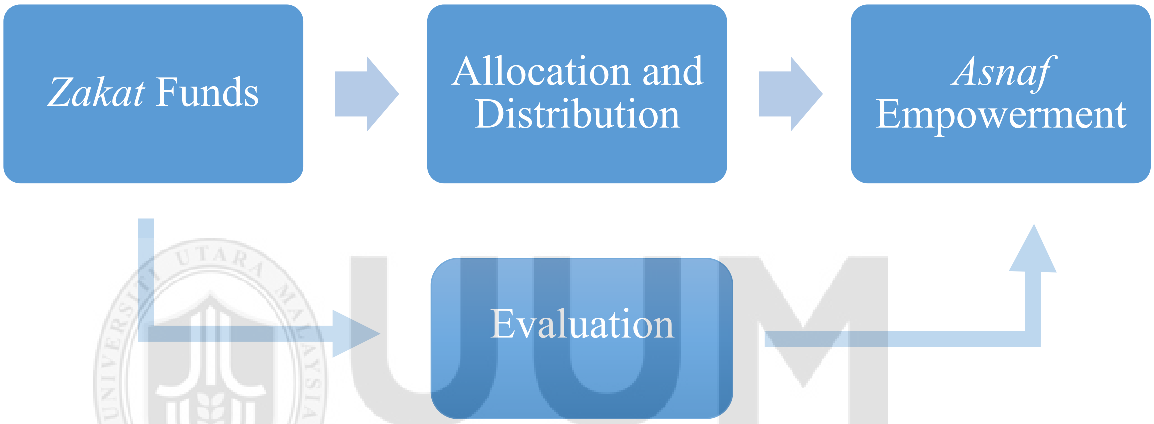

Figure 2.1 General System Theory (GST) Framework

In the context of *zakat* distribution management in LZNK, GST can be used to understand how various elements in the *zakat* system, from collection, management, and distribution, can be integrated effectively to achieve the empowerment of *asnaf*. In this system, inputs are *zakat* funds collected from *muzakki*, then processed through various management mechanisms, including empowerment strategies such as skills training and business capital. The result of this process is the output, which is the benefit received by the *asnaf* in the form of direct assistance or economic empowerment programmes. In addition, for this system to be optimised, feedback or evaluation is needed to assess the extent to which *zakat* distribution can increase the economic independence of *asnaf* so that continuous improvement of the system can be made.

The effectiveness of *asnaf* empowerment in the *zakat* distribution system in LZNK is highly dependent on how the elements in the system are integrated. Not only the amount of *zakat* collected but also the distribution strategy and the sustainability of the empowerment programme become the determining factors of its effectiveness. Suppose *zakat* is only given in the form of direct assistance without any support of skills or business capital. In that case, *asnaf* will remain in a cycle of dependency and not achieve economic independence.

In addition, a feedback mechanism is a key component in GST, which allows the *zakat* distribution system to be continuously improved and adjusted to the needs of the beneficiaries. Evaluating the effectiveness of *zakat* distribution can be done by measuring the extent to which empowerment programmes help *asnaf* achieve economic independence, assessing the success of training and business capital in improving the living standards of recipients, and understanding the level of satisfaction of *asnaf* with the services provided by LZNK. With a structured evaluation system, LZNK can make improvements and innovations in the management of *zakat* so that the empowerment programme can have a long-term impact.

By implementing GST in the management of *zakat* distribution in LZNK, *zakat* can function as more than just social assistance. A well-managed *zakat* will become a sustainable economic empowerment instrument, enabling *asnaf* to transform from beneficiaries to financially independent individuals. This confirms that *zakat* management is not just about distributing funds but also about creating a system that is integrated, sustainable, and able to have a long-term impact on society's welfare.

2.6 The Previous Study

This sub-chapter summarizes a few issues related to *zakat* distribution management and *asnaf* empowerment that have been identified in previous studies, as well as how these findings relate to the research title, "A *Zakat* Distribution Management for *Asnaf* Empowerment at *Lembaga Zakat Negeri Kedah* (LZNK)." This study focuses on the effective use of *zakat* distribution to empower *asnaf*, reduce their dependency, and improve their socio-economic welfare.

A study conducted by Mustarin, (2017) highlighted the urgency of *zakat* management in improving the community's economy. He emphasized that unequal distribution of *zakat*, lack of transparency, and limited reach of small *zakat* institutions are the main obstacles in optimizing *zakat* as an instrument of welfare. The study concluded that professional management of *zakat* by *amil zakat* institutions could help transform *mustahiq* into *muzakki* so that *zakat* funds are not only consumptive but also productive for economic empowerment.

Research by Hamid et al. (2023) in the state of Kedah found that the *zakat* assistance provided to *asnaf* is still inadequate. Using a mixed-method approach, they found that although *zakat* helps fulfil daily needs, recipients are still dependent on social assistance. Therefore, this study emphasizes the need for more effective strategies in addressing poverty issues in the community.

Azhar et al. (2023) used the Analytic Hierarchy Process (AHP) method to analyze the priority of *zakat* distribution in Malaysia. They found that the poor, the debtors, and other underfunded categories should be prioritized in the distribution of *zakat* funds.

Research by Abu Hassan et al. (2024) examined the benevolent loan model as a way to empower *asnaf* entrepreneurs. Using a mixed method approach, they concluded that *zakat*-based loans have the potential to enhance the development of *asnaf* businesses. However, its success is highly dependent on program design, recipient awareness, and effective support from *zakat* and financial institutions.

Adinugroho et al. (2024) analyzed the efficiency of *zakat* management in Indonesia and Malaysia using the Data Envelope Analysis (DEA) method. The study found that resource utilization is still inefficient, so more standardized procedures are needed to improve the effectiveness of *zakat* management.

The study by Ibrahim and Ali, (2022) focused on the development of *asnaf* entrepreneurs through *zakat* funds managed by corporate *zakat* institutions. Using a descriptive qualitative method, they highlighted the importance of changes in the *zakat* management system, the effectiveness of application requirements, training and education, as well as financial resources and refund mechanisms. The study concluded that effective sharia-based microfinance can help *asnaf* achieve economic independence.

Meanwhile, Wahid et al. (2017) compared the efficiency of financial management and *zakat* distribution in various State Islamic Religious Councils (MAIN) in Malaysia using quantitative methods. This study found a relationship between MAIN's financial management performance and the effectiveness of *zakat* distribution, both in financial and non-financial aspects. In addition, the pattern of *zakat* distribution by corporate institutions is different from non-corporate institutions.

Lastly, research by Ismail et al. (2023b) examined the empowerment of *asnaf* through effective *zakat* distribution practices in LZNK, Malaysia. Using qualitative methods, they found that the main challenges in *zakat* distribution include the lack of effective distribution methods, bureaucratic issues, limitations in technology utilization, weaknesses in record management, lack of community outreach and awareness, and difficulties in dealing with challenges during the pandemic. The study recommends strategic planning and advanced technology as key practices in improving the effectiveness of *zakat* distribution.

Overall, these studies show that effective and innovative management of *zakat* distribution is needed to improve the welfare of the beneficiaries and ensure that *zakat* funds actually have a sustainable impact on them.

Table 2.1
The Previous Study about Zakat Distribution

No.	Paper	Issues	Method	Findings
1.	Mustarin, (2017) The Urgency of *Zakat* Management on Improving The Community's Economy	Inequitable distribution, lack of transparency, and the inability of small *zakat* institutions to reach all mustahiq, which hinder the optimization of *zakat* as an instrument to improve community welfare.	-	*Zakat* distribution management carried out professionally by *amil zakat* institutions can significantly help alleviate poverty by turning *mustahiq* (*zakat* recipients) into *muzakki* (*zakat* givers), so that *zakat* funds are not only consumptive but also productive for economic empowerment.

No.	Paper	Issues	Method	Findings
2.	Hamid et al. (2023) *Zakat* Distribution Management and Poverty Issues: A Study in The State of Kedah	The inadequacy of the zakat assistance given to the *asnaf*	Mix method	Though the collection of zakat fulfills their daily needs, they are still dependent on welfare. Therefore, this study emphasizes the need for a more effective strategy to address the issue of poverty in the community.
3.	Azhar et al. (2023) *Zakat* Distribution Priorities in Malaysia: An Analytic Hierarcy Process Analysis	Imbalanced fund allocation	Analytic Hierarchy Process (AHP) technique	Priority given to poverty groups, debtors and other categories underfunded.
4.	Abu Hassan et al. (2024) Developing A Benevolent Loan Model to Empower *Asnaf* Entrepreneurs	Lack of access to appropriate financing and support for asnaf entrepreneurs, which prevents them from growing and improving their economic status.	Mix method	Welfare loans provided through *zakat* have the potential to enhance entrepreneurial development among *asnaf* entrepreneurs by addressing challenges such as access to finance and lack of skills, but their success depends on factors such as program design, recipient awareness, and effective support from *zakat* and financial institutions.
5.	Adinugroho et al. (2024) Analysis of *Zakat* Management Efficiency Levels in Two Asean Countries (Studies in Indonesia and Malaysia)	Inefficiencies in resource utilization	Data Envelopment Analysis (DEA)	Standardized procedures needed, inefficiencies persist in some regions.

No.	Paper	Issues	Method	Findings
6.	Ibrahim & Ali, (2022) Developing *Asnaf* Entrepreneurs Thorugh *Zakat* Funds Using Islamic Microfinance by Corporate *Zakat* Institutions	- Changes in the *zakat* management system - Effectiveness of application requirements - Importance of training and education - Financial sources and repayment	Qualitative descriptive method	Effective microfinancing and appropriate support can help asnaf achieve economic independence.
7.	Wahid et al. (2017) Financial Management and *Zakat* Distribution Efficiency Performance: A Comparison among State Islamic Religious Council in Malaysia	Efficiency in financial management of MAIN institutions and distribution of *zakat* is an important matter that needs to be emphasized to ensure that the social and economic objectives of *zakat* can be achieved effectively.	Quantitative method	There is a corresponding relationship between the performance of MAIN's financial management and the performance of *zakat* distribution in terms of financial and non-financial distribution. The results of the study also found that the pattern of *zakat* distribution by corporate institutions is different from the pattern of *zakat* distribution by non-corporate institutions.
8.	Ismail et al. (2023a) Empowering *Asnaf* through Effective Distribution Practices: *Lembaga Zakat Negeri Kedah* (LZNK), Malaysia	- Lack of effective distribution methods - Bureaucratic issues and uncertainty - Limitations in the use of technology - Lack of strong management records - Lack of community outreach and awareness - Difficulties in facing the challenges of the pandemic	Qualitative method	Strategic plan and advanced technology, identified as the main practices in distributing *zakat*.

Sources: Self-constructed

Based on Table 2.1, these studies collectively underline the critical need for a zakat distribution management model. While existing research highlights the challenges of inefficiency and inequity, there is a clear gap in exploring a holistic model that balances immediate relief with long-term empowerment. This research aims to bridge that gap by examining how LZNK can improve its distribution mechanism to empower the asnaf sustainability.

2.7 Summary of the Chapter

This chapter reviews previous literature from researchers to understand in detail how the management for distributing *zakat* to *asnaf* recipients. The next chapter continues by explaining the methodology used in this research to collect all the data needed.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

In this chapter, the research methodology used to investigate *zakat* distribution management for *asnaf* empowerment at LZNK is explained. This chapter outlines the research design and methodology, detailing how the study will be conducted to address the research objectives. It describes the operational definitions of key concepts, the data collection process, including interviews and secondary data sources, and the sampling techniques employed. The chapter also explains the methods for data analysis, ensuring that the findings will provide valuable insights into how *zakat* distribution can be optimized for the long-term empowerment of *asnaf*.

3.2 Research Design

This study aims to explore the management of *zakat* distribution that can empower *asnaf* in LZNK. A qualitative approach is chosen for this research to understand the complex dynamics in *zakat* distribution and its impact on the empowerment of *asnaf*. Qualitative data was obtained mainly through in-depth interviews with *zakat* managers and relevant stakeholders. Secondary data, including policy documents, annual reports of LZNK, and previous research on *zakat* management and community empowerment, are also used to support the research findings (Ratnaningtyas et al., 2023).

This research design utilized an inductive and phenomenological approach, which is well suitable for exploring social phenomena and understanding the lived experiences of individuals involved in *zakat* management. The inductive approach allows the researcher to develop theories and insights from the data collected, which is in line with the exploratory nature of this study. The phenomenological approach focuses on understanding the experiences and perceptions of *zakat* managers regarding *zakat* distribution and its role in empowerment. This approach is ideal for understanding the "how" of the effectiveness of *zakat* practices in LZNK, as it prioritizes the perspectives and meanings given by those directly involved.

The choice of qualitative methodology is based on the research objective, which is to explore complex social issues, such as the effectiveness of *zakat* distribution in empowering *asnaf*. Qualitative methods, such as in-depth interviews, provide rich and contextualized data that cannot be obtained through quantitative data. By involving *zakat* managers, this research gathers direct insights into strategies and opportunities in *zakat* management that may not be identified through numerical data.

This research uses descriptive and explorative methods to achieve the research objectives. Descriptive research will provide a detailed description of the existing *zakat* management practices in LZNK. In contrast, explorative research aims to explore more in-depth the factors that affect the effectiveness of *zakat* distribution and how these factors can improve the empowerment of *asnaf* (Hall & Liebenberg, 2024).

The main data collection method in this research is in-depth interviews with *zakat* managers and relevant stakeholders. A purposive sample was used to select participants who have direct experience and expertise in *zakat* management. According to Hadi et al. (2021), phenomenological studies usually use purposive sampling to identify individuals who have direct experience with the phenomenon under study. Interviews, as the main method in this study, provide an opportunity to gather rich and in-depth information from participants, which enables a deeper understanding of their perceptions and experiences (Ab Talib et al., 2013; Cavana et al., 2001). The justification for this research design is as follows:

1. Primary data collection. In-depth interviews with *zakat* managers and related practitioners will be the main source of data. This data will provide an in-depth understanding of *zakat* management practices in empowering *asnaf*.
2. Exploring *zakat* distribution in Kedah. To explore the existing *zakat* distribution in Kedah, one of the easiest ways to find answers in this research is through interview sessions. The researcher used the interview method with some practitioners in the field of *zakat* and community empowerment. At the same time, relevant literature was also used to answer the research objectives, including case studies on *zakat* distribution and its impact on *asnaf*.
3. *Zakat* management practices at LZNK. The other main data of this research is to identify *zakat* management practices in LZNK. This requires knowledge and experience from the practitioners and Shariah scholars in the field of *zakat*. To answer this objective, primary data was collected by interviewing experienced *zakat* administrators in LZNK. In addition, relevant literature was also used to achieve the stated research objectives. Based on Table 3.1 provides a summary of the research methodology adopted in this study.

Table 3.1
Summary of Research Methodology

Research Objective	Data Collection Method	Analysis
1. To examine the *zakat* distribution management at LZNK in ensuring effective *asnaf* empowerment.	*Primary Data:* *In-Depth Interviews* Secondary Data: Literature Review	Inductive

Research Objective	Data Collection Method	Analysis
2. To identify and evaluate *zakat*-funded programs at LZNK that enhance *asnaf* empowerment.	*Primary Data:* *In-Depth Interviews* Secondary Data: Literature Review	Inductive
3. To assess the socio-economic impacts of *zakat* distribution on *asnaf* in Kedah.	*Primary Data:* *In-Depth Interviews* Secondary Data: Literature Review	Inductive

3.3 Population and Sampling

The sampling method used in this research is judgmental sampling, also known as purposive sampling or authoritative sampling. This method is a non-probability sampling technique in which sample members are selected based on the researcher's knowledge and judgment. Cavana et al. (2001) state that purposive sampling only focuses on certain individuals who can provide the necessary information. Corbin and Strauss (2014) also explain that judgmental sampling is conducted to obtain information from individuals who have relevance to the research topic. Therefore, the sample selection in this study is based on the professional judgment of informants to ensure that the research objectives can be achieved.

The population in this study consists of professionals and stakeholders involved in the management of *zakat* distribution, particularly in organizations responsible for *zakat* management in Kedah. LZNK was chosen as the main focus of this research due to its strategic role in distributing *zakat* as well as its potential to provide valuable insights on management practices that impact the empowerment of *asnaf*. The selection of LZNK is also in line with the objective of the study, which is to evaluate how *zakat* distribution can be improved to strengthen the empowerment of *asnaf* and increase the long-term effectiveness of the *zakat* program.

In this study, informants were purposively selected based on their roles and expertise in managing and distributing *zakat*. This research sample consists of five main informants, which include three key informants from LZNK, namely the *zakat* managers and individuals who are directly responsible for the *zakat* distribution process. They were chosen because they have an in-depth understanding of the operational, strategic, and policy aspects of *zakat* management. In addition, there are two informants from *Institut Penyelidikan* and *Inovasi Zakat* (IPIZ), Universiti Utara Malaysia (UUM), who are academics and researchers in the field of zakat. IPIZ was established in 2018 as one of the University Centers of Excellence (UCoE) at UUM, with funding from LZNK. IPIZ's main role includes managing and monitoring zakat funds for research and consultancy funded by LZNK. Therefore, although IPIZ is not an institution under the direct auspices of LZNK, the two have a close working relationship in the field of zakat research and innovation.

The combination of informants from LZNK and IPIZ UUM provides multiple benefits in this research. Informants from LZNK provided practical perspectives on the implementation and challenges in *zakat* distribution. In contrast, informants from IPIZ UUM provided academic analysis that supported the research findings with theory-based approaches and previous research. Thus, this approach ensures that the data collected is not only relevant and valuable but also reflects a balance between field practice and academic studies in understanding the challenges and effectiveness of *zakat* distribution in LZNK in empowering *asnaf*.

3.4 Data Collection

This research utilizes the interview method. The interview method will be used to obtain an in-depth understanding of how *zakat* distribution is managed and how effective it is in empowering *asnaf* at LZNK. The interview is designed to be semi-structured, which allows participants to share their experiences, opinions, and emotions about the research topic. This qualitative approach also allowed the researcher to utilize her skills and experience in data analysis, focusing on personal interactions rather than anonymous responses often collected through surveys.

This research involved interviews with selected informants following a semi-structured format, with each interview session taking an average of 30 minutes. In this study, the selection of informants was conducted using a purposive sampling technique, which allows for the selection of individuals who are relevant to the management and distribution of *zakat* in LZNK. The selected informants consisted of *zakat* officials or managers who are responsible for policy planning and distribution strategy, as well as officers involved in the implementation and supervision of *zakat* distribution. Interviews were conducted in a semi-structured manner to explore the challenges faced, the distribution mechanism applied, and opportunities to improve the effectiveness of *zakat* in empowering *asnaf*. All interviews were conducted directly with the participants so that the process was easy to conduct and follow up. All sections were documented through written notes and using a voice recorder and then transcribed and coded for other analysis. The interview questions were grouped into three categories according to the research objectives.

3.4.1 Theme: *Zakat* Distribution Management at *Lembaga Zakat Negeri Kedah* (LZNK)

The purpose of this research is to examine *zakat* distribution management practices in LZNK and their role in *asnaf* empowerment. To address this objective, the following questions were developed for the interview session:

1. Can you explain the current *zakat* distribution management practices at LZNK?
2. What are the main challenges faced by LZNK in managing *zakat* distribution effectively?
3. How does LZNK ensure that *zakat* reaches the intended beneficiaries?
4. Is there an evaluation mechanism to assess the effectiveness of *zakat* distribution?
5. How are transparency and accountability maintained in *zakat* distribution management?
6. What is the decision-making process in determining the allocation of *zakat* to certain *asnaf* categories?

3.4.2 Theme: *Zakat*-Funded Programs and Their Role in *Asnaf* Empowerment

This theme explores how *zakat* distribution at LZNK supports *asnaf* empowerment. It examines *zakat*-funded programs, their effectiveness in improving *asnaf's* socio-economic status, and the selection process for beneficiaries. The following questions aim to explore this aspect:

1. What empowerment program does LNZK provide for *asnaf*?
2. How can *zakat* distribution in LZNK empower *asnaf* in their socio-economic status?

3. Can you provide an example of a successful *asnaf* empowerment program?
4. Can you give an example of a successful empowerment initiative facilitated by *zakat* distribution?
5. How is the *asnaf* selection process for the empowerment program carried out?
6. How is *asnaf* involved in designing the empowerment programme to ensure relevance to their needs?

3.4.3 Theme: Socio-Economic Impact of *Zakat* Distribution on *Asnaf*

This theme examines the impact of *zakat* distribution on the socio-economic well-being of *asnaf* in Kedah. It explores how *zakat* contributes to their financial independence and long-term empowerment. The following questions aim to assess these aspects:

1. How does LZNK assess the impact of zakat distribution on *asnaf* empowerment?
2. How does LZNK assess the impact of zakat on increasing the economic independence of *asnaf*?
3. What are the biggest challenges in ensuring that *asnaf* truly achieves economic independence?
4. Is there a long-term plan to support *asnaf* after they no longer receive *zakat*?

3.5 Development of Interview Protocol

The interview protocol serves as a structured guideline for conducting interviews, ensuring consistency and reliability in data collection. This study uses a semi-structured interview approach, which allows flexibility in exploring more in-depth key aspects related to *zakat* distribution and *asnaf* empowerment.

3.5.1 Data Collection Procedures

The data collection procedure for this research is conducted in a structured manner so that the results obtained are reliable and validated. Primary data will be collected through interviews with *zakat* managers and relevant stakeholders. To assist in building connections and encourage comfortable conversations, these interviews will be conducted in a freely chosen and comfortable place. Interviews will be recorded after obtaining permission from the participants to ensure that all data are transcribed and analyzed comprehensively. In addition, secondary data will be obtained from LZNK annual reports, academic articles, and previous empirical studies on *zakat* management. Therefore, this study will use a mixed qualitative method involving interviews and secondary data analysis to gain deeper insights into *zakat* distribution management and its contribution to *asnaf* empowerment. The collected data will be systematically compiled, securely stored, and analyzed using thematic analysis to identify key patterns and insights.

3.5.2 Getting Access

To get access, the researcher must contact the interviewee to schedule the interview. The researcher should establish a communication relationship with the potential interviewee before the interview session begins by making initial contact via email or WhatsApp to discuss the purpose of the interview, clarify the interviewee's identity, and schedule a meeting.

After requesting a cover letter from Othman Yeop Abdullah Graduate School of Business (OYAGSB) and the Islamic Business School (IBS), the interviewer handed the cover letter to the informant as formal documentation of the student's research.

The interview date was then scheduled up to the day of the meeting. Prior to the interview, a list of questions and an interview protocol were created. In addition, a cover letter enhanced the willingness of informants to engage. An important component of this research is confidentiality.

3.5.3 Interview Stages

An interview session consists of three main stages: the entry stage, the core discussion stage, and the exit stage. Each stage was well designed to ensure a continuous flow of conversation and maximize the quality of data collected.

3.5.3.1 Entry Stage

At the beginning of the interview, researchers greet informants and express appreciation for their willingness to participate. To build a good relationship, the researcher can ask introduction questions to create a comfortable and relaxed atmosphere. After that, the researcher provides a brief overview of the study, including its purpose and significance. The researcher also explains the confidentiality of the answers, as well as the ethical aspects of the research, such as consent to participation, the duration of the interview, and the methods used. At this stage, the researcher also asked permission to record the interview to ensure the accuracy of the data collected.

3.5.3.2 Core Discussion Stage

Before starting the interview, the researcher confirmed the informant's preparedness. The pre-prepared interview questions were asked systematically so that the discussion remained in line with the research objectives. If needed, researchers use probing questions to encourage informants to provide more detailed and in-depth answers. In addition, emergent questions may arise spontaneously during the interview to explore unexpected but relevant aspects of the research. During this stage, the researcher listens actively, takes careful notes, and ensures all important points are well-documented. As some informants may speak quickly or use technical terms, the researcher seeks to understand and clarify answers in real time.

3.5.3.3 Exit Stage

The exit stage marks the closing of the interview session. The researcher informs the informant that the last question will be asked and provides a brief summary of the discussion to ensure accurate understanding. The interview ends with the researcher expressing gratitude for the informant's time and contribution.

3.6 Experts Review and Refinement

Researchers can enhance the quality of the data collected by improving the reliability of the interview protocol (Castillo-Montoya, 2016). The study received a review from Prof. Dr. Norhayati Ahmad, an expert in Banking and Finance and a professor at the Islamic Business School (IBS), Universiti Utara Malaysia (UUM), as well as Assoc. Prof. Dr. Norazlina Abd Wahab, an expert in Islamic Economics, *Zakat*, and Islamic Banking, serves as the Deputy Dean at the Islamic Business School (IBS), Universiti Utara Malaysia (UUM).

Following a thorough expert review, minor adjustments were made to enhance the wording and improve clarity. Specific terms were modified to promote better understanding and consistency throughout the interview process. This review facilitated greater coherence and logical flow of the questions asked, effectively ensuring that relevant and meaningful data was captured.

3.7 Fieldwork Procedures

Field research was carried out after the researcher obtained consent from the informants to meet and participate in interviews. The interview sessions took place from 10 February 2025 to 17 February 2025. A variety of communication methods, including official letters, WhatsApp, emails, and Google Meet, were utilized to reach out to the informants.

During the interview process, the informants were allowed to communicate in their preferred language, primarily Malay, to ensure comfort and clarity in expressing their thoughts. The recorded interviews were then transcribed and translated into English while maintaining the original meaning to ensure accuracy in data interpretation.

3.8 Data Processing

In this study, data was analyzed using thematic analysis, which is a technique for identifying, analyzing, and reporting patterns (themes) in qualitative data. This analysis allows the researcher to explore and understand the meanings hidden in the text of interviews with informants, as well as connect them to the research objectives. By using thematic analysis, the researcher can find patterns that are relevant to the research topic, which in this case focuses on the empowerment of *asnaf* through *zakat* distribution.

According to Braun and Clarke (2006), thematic analysis is a method for identifying themes in qualitative data, where these themes emerge from the text or data that has been collected. Themes here refer to patterns or ideas that are organized and relevant to the research question. Thematic analysis can be done deductively or inductively. In the deductive approach, the researcher already has predetermined themes, while in the inductive approach, themes emerge based on the process of direct interpretation of the data present.

In this study, thematic analysis was carried out using the ATLAS.ti application. ATLAS.ti is an application that can help analyze qualitative data, such as interviews, transcripts, and other documents. It allows researchers to identify, organize, and categorize themes in the data systematically and efficiently. The following is an explanation of how the thematic analysis process was conducted using ATLAS.ti in this research (Woods et al., 2016).

3.8.1 Data preparation

Before initiating the thematic analysis, the data collected from interviews with informants is first transcribed. Following this, the transcribed information is imported into ATLAS.ti for analysis. At this stage, researchers can incorporate various file types, including text, audio, and video, which can be analyzed using this application.

3.8.2 Coding

The initial step in thematic analysis involves coding pertinent sections of the data. Within ATLAS.ti, researchers can manually assign codes by highlighting specific text or excerpts from interviews that align with their research objectives. Utilizing ATLAS.ti enables the creation of multiple codes, which can be organized into categories or family codes to streamline the data organization further. These codes facilitate the identification of data segments that connect to broader themes.

3.8.3 Theme Identification

Qualitative research typically employs themes as labels to encapsulate the essence of the data presented. The researcher examined the coded data to uncover key themes that address the research questions: the *zakat* management model in LZNK, the *zakat* distribution process, and its role in empowering *asnaf*. These themes will serve as a foundation for analyzing the findings and presenting the research results (Vaismoradi et al., 2013).

After identifying themes, using ATLAS.ti researchers can create networks or family codes that connect different codes that have similar or interrelated meanings. ATLAS.ti allows researchers to visualize the relationships between these themes in network views, which helps organize the data and ensure that the relationships between themes can be clearly understood.

3.8.4 Theme Review and Refinement

Once the initial themes were identified, the researcher checked and refined each theme to ensure that it was relevant and appropriate to the data. Researchers can use the query tool in ATLAS.ti to drill down into specific themes and see if they cover all the needed data. If any themes are not clear enough or too broad, researchers can combine them, split them, or add additional codes to improve their consistency and relevance.

3.8.5 Interpretation and Report Preparation

Once the themes are well organized, the researcher can conduct a more in-depth analysis to conclude the relationships between themes. In ATLAS.ti, the researcher can export the results of the analysis and analyze patterns to write a report that includes key findings from the analyzed data. ATLAS.ti also allows researchers to compare themes and create visual reports that are easy for readers to understand. In the context of this research, researchers can visualize the emerging themes related to *asnaf* empowerment, sustainable mentoring, and entrepreneurship programs to provide a more comprehensive understanding (Bougie & Sekaran, 2019).

3.9 Trustworthiness

Reliability in qualitative research is assessed through four main criteria: credibility, transferability, dependability, and confirmability. Each of these criteria ensures the accuracy and validity of the research, making it credible and reliable.

Credibility refers to the extent to which the research results can be trusted to reflect the truth of the research findings, which is often considered internal validity. To enhance the credibility of this study, the researcher selected participants who are experts in *zakat* management, including academics and practitioners who have years of experience in this field. This ensures that the data collected reflects the experiences and insights of individuals who have in-depth knowledge. According to Lincoln and Guba (1985), member checking, where informants verify the researcher's interpretation, is one of the strategies to ensure credibility. In this study, credibility is also strengthened by triangulation, where data are collected from several sources (e.g., interviews with *zakat* managers and secondary data from LZNK reports), thus providing a broader perspective on *zakat* distribution practices and *asnaf* empowerment.

Transferability refers to the extent to which research findings can be applied in other contexts, populations, or situations (external validity). To enhance transferability, it is important to provide a rich and detailed description of the research process and context so that others can assess how the findings can be applied in different settings (Patton, 2023). In this study, a detailed description of the research setting, informants, and data collection procedures is provided to ensure that the research findings can be applied to other zakat institutions or areas with similar social, economic, and cultural characteristics.

Dependability refers to the consistency of the research findings, ensuring that the same results can be obtained if the study is repeated in the future (reliability). This criterion is addressed through an audit trail, where the researcher keeps detailed records of the research process, including data collection, analysis, and decision-making steps. This study used methodological triangulation by utilizing interviews and secondary data analysis to enhance dependability. According to Huberman and Miles (2002), documenting each step of the research process and the rationale behind methodological choices helps demonstrate that similar results would be obtained if the study were repeated under the same conditions.

Confirmability refers to the extent to which research findings are influenced by informants' statements and not by researchers' biases or preferences (objectivity). To ensure confirmability, the researcher used triangulation as a method to cross-check findings from multiple data sources, ensuring that conclusions are based on the data, not on the researcher's assumptions or biases. As suggested by Shenton (2004), data coding and the use of an audit trail help maintain objectivity by providing clear documentation of how findings were derived from informants' statements. This ensures that the conclusions reflect the informant's perspective and not the researcher's interpretation.

3.10 Summary of the Chapter

This chapter explains the methodology used in this research. It includes the research design, data collection methods, and data analysis based on qualitative research methodology. The data collection process must be conducted in a systematic flow so that the analysis obtained is reliable. Based on the methodology applied in this chapter, the next chapter will outline the findings of the research study and analyze the results.

CHAPTER FOUR

FINDING AND DISCUSSION

4.1 Introduction

In this chapter, the researcher presents the findings obtained through qualitative research methods, with analysis supported by ATLAS.ti to identify key themes and insights from the data collected. This study aims to examine the management of *zakat* distribution in LZNK in ensuring effective *asnaf* empowerment, identify and evaluate zakat-funded programs that enhance *asnaf* empowerment, and assess the socio-economic impact of *zakat* distribution on *asnaf* in Kedah. Data was obtained through interviews with five key informants consisting of three informants from LZNK who play a role in *zakat* management and distribution and two informants from IPIZ, who are academics and researchers in the field of *zakat*. Then, it was analysed using ATLAS.ti to get a deeper and more comprehensive understanding. The discussion begins with an overview of the informants' roles and backgrounds, followed by findings and discussions organised around the three main research questions. In addition, this study also presents an in-depth analysis of *zakat*-funded programs and their contribution to *asnaf* empowerment, as well as an evaluation of the socio-economic impact of *zakat* distribution, supported by thematic insights gained from data processing using ATLAS.ti.

4.2 Background of Informants

The informants in this study consist of five male individuals who hold key positions in *zakat* distribution management, revenue management, and strategic planning. Three informants are from LZNK, who are directly involved in *zakat* distribution operations and policies, while the other two informants are from IPIZ, who act as academics and researchers in the *zakat* field. IPIZ is a research institute under LZNK and receives funding from LZNK to conduct research and innovation related to *zakat*. Therefore, the involvement of informants from IPIZ provides an academic perspective that supports policy analysis and the effectiveness of *zakat* programs in empowering *asnaf*. Table 4.1 presents the background of the informants based on their positions and roles in this study.

Table 4.1
Background of the Informants

Informants	Gender	Position
P1	Male	Head of *Zakat* Distribution
P2	Male	Head of Government Revenue & Mandatory Directives Division
P3	Male	Chief Strategy Officer
P4	Male	Associate Fellow
P5	Male	Deputy Director

4.2.1 Informant P1

As Head of *Zakat* Distribution, P1 is responsible for ensuring that *zakat* funds are distributed fairly and on target in accordance with sharia principles. He oversees the entire distribution process so that it runs transparently and efficiently, so that it can provide maximum benefits for *zakat* recipients. In addition, P1 also develops distribution strategies and policies so that *zakat* can be distributed optimally in accordance with the needs of the people who are entitled to receive it.

4.2.2 Informant P2

P2 serves as the Head of the Government Revenue & Mandatory Directives Division, which has the main task of managing and overseeing the kingdom's financial income from various official revenue sources. He is responsible for formulating and implementing policies related to the kingdom's revenue and fiscal obligations so as to support economic and social stability. In addition, P2 also ensures that all financial policies implemented are in line with the kingdom's vision and strategy.

4.2.3 Informant P3

As Chief Strategy Officer, P3 plays a key role in designing and implementing long-term strategies for the organisation. He analyses industry trends, identifies growth opportunities, and develops policies that can improve the organisation's competitiveness. In addition, P3 works closely with various departments to ensure that the strategies designed can run well and support overall business goals.

4.2.4 Informant P4

P4 is an Associate Fellow who acts as a senior academic or researcher in a particular field. He or she is involved in research and scholarly publications and contributes to scholarly and policy development. In addition, a P4 may also act as an advisor or consultant on research projects, both in the academic and policy areas related to the interests of society or government.

4.2.5 Informant P5

As Deputy Director, P5 assists the managing director in running the organisation's operations. He oversees the implementation of the organisation's strategy, ensures efficiency and effectiveness, and contributes to strategic decision-making with the rest of the executive team. In addition, P5 also plays a role in ensuring that the organisation runs in accordance with its vision and mission.

4.3 Finding and Discussion

The findings obtained from the interviews that have been conducted with three key informants who are directly involved in the management and distribution of zakat in LZNK aim to provide an in-depth description of the zakat management model, the implementation of its distribution, and its contribution in empowering asnaf. As well as two informants from IPIZ, who act as academics and researchers in the field of zakat, aim to provide an academic perspective that supports policy analysis and the effectiveness of zakat programs in empowering asnaf. The findings obtained from this interview are described through a framework that has been prepared in order to provide a clearer understanding of how the *zakat* mechanism implemented can answer the research question that has been formulated previously (refer to Appendix B). This framework will be used as a guide to analyse the interview results. It will link the findings with relevant theories and concepts in the study of *zakat* and *asnaf* empowerment. With this approach, a more comprehensive insight into the effectiveness of *zakat* management and its contribution to the empowerment of *asnaf* in LZNK can be obtained.

4.3.1 *Zakat* Distribution Management at *Lembaga Zakat Negeri Kedah* (LZNK) in Ensuring Effective *Asnaf* Empowerment

Drawing from the primary data collected during the interview sessions, the subsequent sub-chapters aim to provide a comprehensive overview of the *zakat* distribution management at LZNK to ensure effective *asnaf* empowerment. The researcher inquired about the participants' understanding of the *zakat* distribution management within LZNK. The results of these interviews revealed several recurring themes related to the management strategies and approaches employed to optimize *zakat* distribution for *asnaf* empowerment. These themes are presented and explained in Table 4.2.

Table 5.2
Zakat Distribution Management at LZNK in Ensuring Effective Asnaf Empowerment

***Zakat* Distribution Management at LZNK in Ensuring Effective *Asnaf* Empowerment**	**Participant**
Zakat distribution management	**P1, P3, and P4**
Selection and determination of *asnaf*	**P1, P2, P3, and P4**
Decision-making	**P1, P3, and P5**
Collaboration	**P1, P2, P4, and P5**
Distribution efficiency strategy	**P1, P2, and P5**

4.3.1.1 *Zakat* Distribution Management

The researcher asked about how zakat distribution management at LZNK contributes to the empowerment of the *asnaf* community. Responses from informants highlighted that LZNK adopts *zakat* distribution management that is grounded in *maqasid syariah* principles, ensuring that *zakat* not only fulfils material needs but also contributes to the long-term welfare and empowerment of *asnaf*. As explained by P1:

> *"The distribution of zakat at LZNK today is based on maqasid syariah, which includes the preservation of hafizul nafsi (life), hafizul aqli (intellect), and the five main pillars of Maqasid Syariah." (P1)*

This approach shows that zakat distribution in LZNK is not only about meeting immediate needs but also about empowering *asnaf* by safeguarding their lives (*nafsi*) and their minds (*aql*), which are essential for their long-term growth and independence. Thus, *zakat* is considered a tool of socio-economic empowerment, which aims to raise *asnaf* from dependency to self-independence.

The distribution of *zakat* in LZNK also follows the principle of justice by ensuring a fair allocation among the eight categories of *asnaf* listed in Surah At-Taubah, verse 60. As explained by P3:

> *"In general, we distribute zakat to 8 (eight) groups of beneficiaries, or generally we call mustahik, based on Surah Taubah verse 60." (P3)*

Furthermore, P4 highlights that *zakat* is distributed equally among these categories:

> *"In terms of zakat distribution, we distribute zakat in equal portions to 8 (eight) asnaf, Fakir, Miskin, Amil, Muallaf, Ibn sabil, Gharimin,* Fi sabilillah *and ar-Riqab, with equal portions." (P4)*

By ensuring that each *asnaf* group receives its equitable portion of *zakat*, LZNK aims to ensure all categories of the truly needy are appropriately supported. This fair allocation is important not only to meet immediate needs but to provide a foundation that allows *asnaf* to build long-term stability and empowerment. In terms of empowerment, *zakat* distribution at LZNK is designed to do more than provide material assistance. P1 explains:

> *"In terms of zakat distribution, we also consider hawa'ij asliyah, which refers to the basic needs of an asnaf family, including food security, clothing, healthcare, education, housing, and transportation." (P1)*

A focus on fulfilling basic needs is essential for *asnaf* empowerment, as it can ensure they have the necessary resources to pursue their personal development. Empowerment, as defined by Malta (2023), is a process that enables individuals or groups to gain control over their lives. Thus, by meeting the basic needs of *asnaf*, LZNK can create the conditions for them to overcome poverty and achieve self-reliance, thus reducing their dependence on *zakat* in the long run.

P3 and P4 also emphasize the importance of ensuring that *zakat* can reach those who are truly in need to maximize its impact.

> *"It is important to ensure that the recipients of zakat are people who really need help so that the zakat given can have maximum impact." (P3)*

> *"The zakat distribution management at LZNK follows an equal allocation system across all asnaf categories. However, any surplus funds are returned and redistributed to the groups that still require support." (P4)*

In the management of *zakat* at LZNK, the principle of *maqasid syariah* becomes the basis applied to ensure the distribution of *zakat* is conducted fairly and in accordance with the objectives of sharia. As explained in the study by Al Jufri et al. (2021), the main objective of *maqasid syariah* is to maintain the welfare of the people, which includes the fulfilment of basic needs such as food, clothing, shelter, and health. Therefore, *zakat* in LZNK is distributed to the eight *asnaf* groups specified in Surah At-Taubah verse 60, including *Fakir*, Poor, *Amil*, *Muallaf, Ibn sabil*, *Gharimin* (debtors), *Fi sabilillah*, and *ar-Riqab*. Each of these *asnaf* groups gets an equal share of *zakat*, with the aim of ensuring that *zakat* distribution covers all categories that are truly in need.

4.3.1.2 Selection and Determination of *Asnaf*

In *zakat* management, the process of selection and determination of *asnaf* is a crucial step to ensure that *zakat* funds are channelled to those who are truly entitled to receive them. Based on interviews with informants, P1, P2, P3, and P4 stated that the selection process and the determination of *asnaf* who are eligible to receive *zakat* are carried out in several ways.

> *"Firstly, we send a team of investigators to go directly to the villages to look for asnaf, such as the poor and needy. Secondly, we also utilize technology by creating an application called Jom Lapor Asnaf, which is integrated into the Zakat on Touch platform. This application allows the community to report the condition of asnaf directly." (P4)*

Similarly, P1, P2 and P3 also added that the selection was done by starting the application and receiving recommendations from the *amil*.

> *"We open zakat registration to the public. In addition, we also accept recommendations from mosques or local zakat administrators." (P1)*
>
> *"We use an amil to verify the information about the candidates. Amil is tasked to confirm and recommend the right candidate to LZNK." (P3)*
>
> *"In the process of selection and determination of asnaf, we rely heavily on the recommendation of the amil in each region. The amil is the individual who is most familiar with the conditions of the local community and can provide more accurate information regarding who is truly entitled to receive zakat. They are tasked with identifying, verifying and recommending potential zakat recipients to LZNK, ensuring that assistance is given to those who are truly in need. With this approach, we can ensure that the distribution of zakat is more targeted and in accordance with the principles of justice in Islam." (P2)*

Based on the above statement, the process of selection and determination of the *asnaf* who are entitled to receive *zakat* in LZNK is done through several integrated and transparent methods. This process involves direct data collection by *zakat* staff who go to the field to investigate the condition of the community directly, especially those who are classified as poor and needy. In addition, technology is also utilized with the "*Jom Lapor Asnaf*" and "*Zakat* on Touch" applications, which allow the public to report the condition of the *asnaf* online. This makes it easier to obtain more accurate data and speeds up the verification process. As explained by Maisyarah and Hamzah (2024), the use of digital systems such as *zakat* applications can speed up the verification process and help LZNK in managing distribution more efficiently.

Furthermore, the selection of eligible *asnaf* is also supported by recommendations from *amil* in each region. The *amil* is responsible for identifying and verifying information regarding potential *zakat* recipients, ensuring that *zakat* assistance is given to those who are truly in need. The selection of *asnaf* is based on the recommendation of the *amil* because the *amil* is the one who is most familiar with the condition of the local community and has a deeper insight into who deserves to receive *zakat*. The use of *amil* who have in-depth local knowledge is also in line with research Wahid et al. (2017) which states that community-based screening and local approaches are very important to ensure that *zakat* reaches the rightful recipients, considering that each region has different social and economic dynamics. In addition, according to Ismail et al. (2023a) *zakat* management that involves rigorous screening and is based on local verification can ensure that only the rightful receive *zakat*. This is important to reduce the potential for fraud and abuse of *zakat* funds.

4.3.1.3 Decision-Making

The researcher asked about how the decision-making process in *zakat* distribution in LZNK and its role in ensuring fairness and effectiveness in the allocation of *zakat* to *asnaf*. Responses from informants emphasized that LZNK follows a consultative decision-making process through a mechanism known as *shura* (deliberation), which ensures that decisions are made collaboratively and with due consideration. As explained by P5:

> *"The decision-making process is, of course, carried out through discussions, which we refer to as shura (consultation). There is a dedicated committee within the Kedah State Zakat Institution (LZNK) responsible for making decisions regarding all zakat applications and aid requests. This committee determines who is eligible to receive zakat through meetings held for this purpose." (P5)*

This approach highlights the democratic nature of zakat distribution in LZNK, where multiple perspectives are considered to ensure that decisions are made fairly and with due consideration. The use of *shura* ensures that no individual is singularly responsible for making decisions about who is entitled to receive *zakat*, thus promoting transparency and accountability. In addition to *shura*, P1 further explains the inclusiveness of the decision-making process:

> *"The committee reviews each zakat application carefully, considering the individual circumstances of the applicants. We make sure that all relevant factors, such as the family situation, income, and health condition, are taken into account before making any decision." (P1)*

P3 also highlighted the accuracy and transparency involved in the process:

> *"Before making any decisions, all zakat applications go through a detailed review process where we cross-check information from various sources, including local amils and community leaders, to ensure that those receiving zakat truly need assistance." (P3)*

This statement emphasizes that the decision-making process is not only consultative but also comprehensive, involving thorough consideration of each applicant's situation. This ensures that *zakat* is distributed to those who truly need it, which is in line with the objective of empowering the *asnaf* by fulfilling their specific needs.

The decision-making process at LZNK is designed to ensure that *zakat* funds are distributed fairly and effectively. As informed sources highlight, the consultative nature of the process ensures fairness by considering various factors and involving various parties. This approach is supported by research Maisyarah and Hamzah (2024) that explains that a consultative decision-making process in *zakat* distribution results in more inclusive and effective outcomes and builds trust and confidence in *zakat* institutions.

4.3.1.4 Collaboration

The researcher asked about the role of collaboration in ensuring the effectiveness of *zakat* distribution and its impact on *asnaf* empowerment in LZNK. Responses from informants highlighted the importance of collaboration with various sectors of society, including government agencies, private companies, and community leaders, in maximizing the reach and impact of *zakat* programs aimed at empowering *asnaf*. As stated by P1:

"Over the past seven years, Kedah Zakat has established strong cooperation with both government and private companies through the wakalah zakat distribution method." (P1)

ollaboration through this *wakalah zakat* method allows LZNK to gather resources from various sectors, which enables *zakat* distribution to be more comprehensive and efficient. By involving the government and private companies, LZNK can ensure that *zakat* is distributed in a way that fulfils the larger needs of the *asnaf*, which in turn contributes to their empowerment. This approach increases LZNK's capacity to support *zakat* recipients beyond just financial assistance and enables the implementation of various empowerment programs. As emphasized by P5:

"LZNK needs to collaborate with all levels of society, including community leaders, village heads, district leaders, state and national authorities, and others. This cooperation is essential to strengthen further the assistance and programs designed for the asnaf beneficiaries." (P5)

This collaboration is crucial to reach a wider *asnaf* and ensure that aid is delivered effectively and on target. By working closely with local leaders and authorities, LZNK can ensure that the assistance provided is well coordinated and meets the specific needs of *asnaf* in different communities. This also helps to create a more inclusive approach to *zakat* distribution, ensuring that no one is left out and that *zakat* is distributed fairly across different regions. P4 also highlights the role of collaboration in improving the effectiveness of *zakat* distribution:

"Through collaboration with local organizations and community groups, we are able to conduct needs assessments more accurately and ensure that the right

people are receiving the help they need. This also strengthens the long-term impact of zakat programs by integrating local resources and knowledge into the process." (P4)

By engaging with local organizations and community groups, LZNK can leverage local knowledge and resources to improve the targeting and effectiveness of *zakat* distribution. This way it can ensure that assistance reaches those who really need it and maximize the impact of *zakat*. Then, P2 added further:

"Collaboration also allows us to access additional resources, such as training programs and job placement opportunities, which are essential for empowering asnaf in the long term. By working with various partners, we can provide more holistic support, helping asnaf build sustainable livelihoods." (P2)

The statement strengthens the idea that collaboration is not just about financial support, but also about providing opportunities for skills development and long-term empowerment. Thus, LZNK can offer *asnaf* access to training, education, and employment opportunities that are crucial for their socio-economic independence.

4.3.1.5 Distribution Efficiency Strategy

The researcher asked about how the efficiency strategy of *zakat* distribution in LZNK can ensure the empowerment of *asnaf* effectively. From the informants' responses, some of the key initiatives implemented by LZNK to improve the efficiency of *zakat* distribution have a direct impact on the empowerment of *asnaf*, which ensures that the assistance provided is not just temporary but supports long-term socio-economic independence. One of the initiatives emphasized is the introduction of *Zakat* on Job, which aims to provide employment opportunities to *asnaf* by working with *muzakki*. As explained by P1:

> "*Zakat on Job will be introduced. Previously*, *Zakat on Touch focused on assessing zakat distribution data. Still, this time, the initiative aims to strengthen Zakat on Job, which provides job opportunities in collaboration with muzakki." (P1)*

This initiative illustrates the changing focus from fulfilling immediate material requirements to providing sustainable employment opportunities. Research by Wahid et al. (2017) shows that empowerment through employment not only helps *asnaf* fulfil their basic needs but also gives them the tools to overcome poverty in the long run. In addition, P2 added that LZNK also provides educational support through a scholarship program for *asnaf*. This shows that empowerment also includes educational aspects that will provide more opportunities for *asnaf* in the future. Higher education can provide the skills needed to participate in the greater job market, which is an important aspect of long-term empowerment.

> *"We also have what we call a university student scholarship program." (P2)*

This empowerment of *asnaf* through education is in line with the findings in Maisyarah and Hamzah (2024) study, which emphasizes the importance of education to open the way to better employment opportunities and reduce dependency on *zakat* assistance in the long run. P5 also underlines the importance of supporting entrepreneurs among *asnaf*, which is an important aspect of economic empowerment. LZNK provides support to *asnaf* entrepreneurs so that they can grow their businesses and increase their income. This approach shows that empowerment is not only about direct assistance but also providing opportunities for *asnaf* to create their livelihoods through entrepreneurship.

> *"LZNK must collaborate with all levels of society, including community leaders, village heads, district leaders, state and national authorities, and others. This cooperation is essential to strengthen further the assistance and programs designed for the asnaf beneficiaries." (P5)*

By involving community leaders and local authorities, LZNK can ensure that the assistance provided matches the specific needs of each *asnaf*, making it more effective in improving *asnaf's* quality of life and helping them achieve self-empowerment.

In conclusion, the efficient *zakat* distribution strategies implemented by LZNK, including *Zakat* on Job, scholarship program, and entrepreneurship support, contribute greatly to ensuring the effective empowerment of *asnaf*. By focusing on long-term empowerment and collaborating with various sectors of society, LZNK not only provides targeted assistance but also creates opportunities that enable *asnaf* to overcome poverty and achieve socio-economic independence.

4.3.2 *Zakat*-Funded Programs at *Lembaga Zakat Negeri Kedah* (LZNK) That Enhance *Asnaf* Empowerment

Drawing from the insight gained during the interviews with informants, the following sub-chapters offer a comprehensive understanding of *zakat*-funded programs at LZNK that enhance *asnaf* empowerment. The researcher inquired about the informants' perspectives on the effectiveness and impact of these programs in supporting *asnaf*. The interview results revealed several key themes associated with the implementation of *zakat*-funded programs and their role in advancing *asnaf* empowerment. These findings will be detailed in Table 4.3.

Table 6.3

Zakat-Funded Programs at LZNK That Enhance Asnaf Empowerment

Implementation of *zakat* distribution	**Participant**
Improvement in *Zakat* Distribution	P1, P2, and P3
Selection of Empowerment Programmes	P1, P3, and P4

4.3.2.1 *Zakat* Allocation for Addressing Social-Economic Problems of *Asnaf* in Kedah

To address the social and economic issues faced by *asnaf* in Kedah, LZNK has allocated *zakat* funds to various important sectors, including social, economic, health, and education sectors. This allocation of *zakat* funds aims to empower *asnaf* and improve their quality of life. Based on the supporting data provided by LZNK, the following Figure 4.1 will illustrate the allocation of LZNK *zakat* for 2019-2024 based on four main sectors, namely social, economic, health, and education. For detailed data on the allocation of LZNK *zakat* funds based on the four main sectors from 2019-2024, please refer to Appendix A.

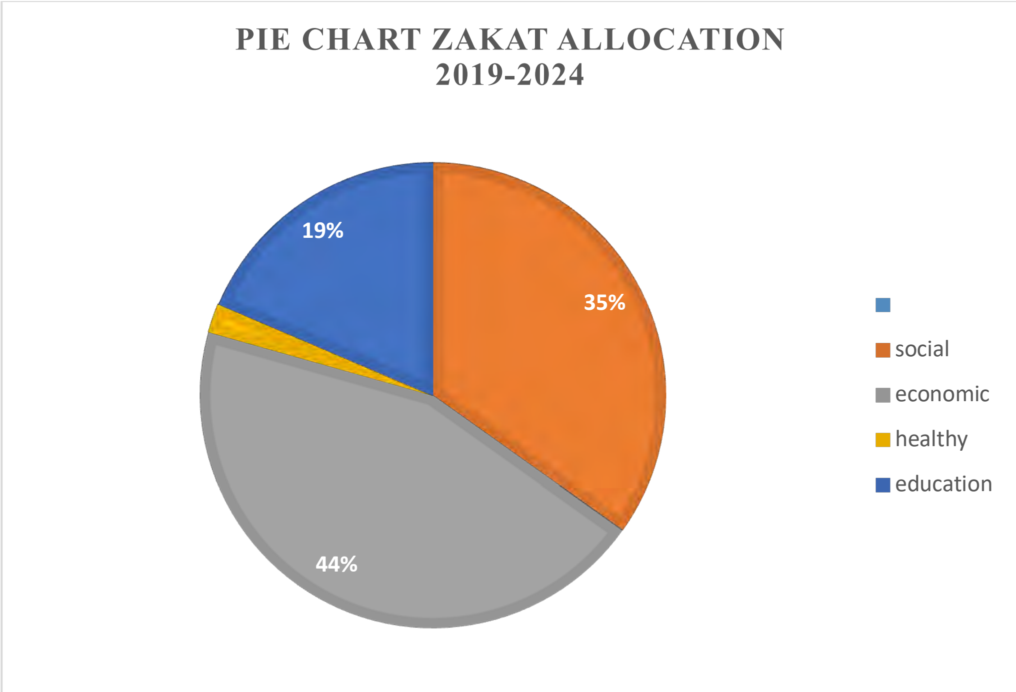

Figure 4. 1 Zakat Allocation 2019-2024

Based on the pie chart showing the allocation of *zakat* by LZNK for 2019-2024 it reflects a strategic approach in addressing the social and economic issues faced by the *asnaf* in Kedah. This diagram highlights four main sectors, namely social, economic, health, and education, with each sector receiving a different proportion of *zakat* funds. Based on the pie chart above, it is known that economic empowerment gets 44% of the *zakat* allocation, which is reflected by the largest share in the diagram, indicating that LZNK prioritizes the economic development of the *asnaf*. This reflects a clear focus on providing entrepreneurial opportunities, business capital, and skills development to help *asnaf* achieve long-term financial independence. This greater allocation to economic empowerment is in line with the findings of Hashim et al., (2019) who emphasize that *zakat* does not only aim to meet immediate needs but also to empower *asnaf* in the long term so that they can reduce dependency on *zakat*.

Then, the social sector gets 35% of the *zakat* allocation, which shows LZNK's commitment to fulfilling the immediate basic needs of the *asnaf,* such as housing and food. As shown in the diagram, most of the *zakat* is allocated to improve the social welfare of the *asnaf*, including assistance to repair houses and provision of food. On the other hand, there is the Education sector that gets an allocation of around 19%, which shows that LZNK pays great attention to better education for the *asnaf* so that they can improve their quality of life and reduce their dependence on *zakat* in the future. This education programme is in line with the principle presented by Maisyarah and Hamzah (2024), who emphasized that education is an important tool to overcome poverty and provide better opportunities in the future.

And finally, there is the health sector, which gets 2% of the *zakat* allocation. Although the *zakat* allocation for the health sector is the smallest part, it reflects LZNK's efforts to fulfil the medical care needs of the *asnaf*, such as treatment of chronic diseases and provision of assistive devices such as wheelchairs. Although the allocation is very small, this sector shows that health still gets attention even though the main priority is in the social and economic sectors.

Overall, the *zakat* distribution conducted by LZNK shows a balanced approach by prioritizing short-term needs (such as housing and health) and long-term empowerment (through economic development and education). This approach is effective in addressing the social and economic challenges faced by the *asnaf* by providing immediate assistance as needed while focusing on sustainable solutions to create economic independence for the *asnaf.* This allocation reflects an integrated approach and is in line with Islam*ic* principles of social justice, ensuring that *zakat* not only fulfils basic needs but also supports long-term change in the lives of the *asnaf.*

The empowerment programmes held by LZNK to help increase the economic independence of *asnaf* in the long term will be explained in Table 4.4.

Table 7.4
Development Programme

Sector	Programme
Social	- Food bank - Housing development scheme - *Muallaf* empowerment centre - Meat distribution via *qurban, aqiqah*, and *sadaqah* - *Asnaf's* house repair and maintenance
Economic	- Monthly *zakat* distribution - *Ummah* economic development project - *Asnaf* development program - Smart *sawah* - *Asnaf* barbershop - LZNK sewing centre
Health	- Haemodialysis centre - Mobile clinics
Education	- *Zakat* school - Distribution *zakat* via religious school - Distribution via university *zakat* scholarship - Overseas scholarship

Source: (LZNK, 2023)

Social Sector

Social programmes aim to meet the basic needs of *asnaf* that may not be achieved through *zakat* distribution alone, by providing more comprehensive assistance.

a) Food bank: This program provides food distribution to *asnaf* who are nutritionally deficient or who are experiencing economic difficulties in purchasing food.

b) Housing development scheme: A programme that helps *asnaf* own a decent home, to ensure a safe and comfortable place for them to live.

c) Mualaf empowerment centre: A program aimed at providing guidance and support to individuals who have recently embraced Islam or who are in the stage of strengthening their faith.

d) Meat distribution via *qurban, aqiqah*, and *sadaqah*: A meat distribution programme from *qurban, aqiqah*, and *shadaqah* that aims to help *asnaf* in need, especially during *Eid*.

e) *Asnaf's* house repair and maintenance: Helping to repair and maintain *asnaf's* houses that are in a damaged or unsuitable condition so that they can live in a more comfortable place.

Economic Sector

This program focuses on the empowerment of *asnaf* by providing opportunities to develop small businesses or improve their work skills.

a) Monthly *zakat* distribution: A monthly *zakat* distribution is conducted to fulfil the basic needs of the *asnaf* by providing regular financial assistance.

b) *Ummah* economic development project: Larger community economic development projects, where *asnaf* are involved in the management or endeavours that can have an economic impact on the community at large.

c) *Asnaf* development program: This program provides skills training and business capital assistance to *asnaf* so that they can run small businesses and become more economically independent.

d) *Smart Sawah*: This programme focuses on empowering *asnaf* who are involved in the agricultural sector by providing training on modern farming and the utilization of technology to increase agricultural yields. The programme aims to optimize the use of *asnaf* farmland and increase their yields.

e) *Asnaf* barbershop: This programme is designed to provide skills in service businesses, specifically in the salon or barbershop sector. The aim is to provide *asnaf* with practical skills that they can immediately apply to start a small business.

f) LZNK sewing centre: This programme provides sewing skills training for *asnaf*, where they are taught sewing skills that can be used to produce clothes or other textile items that can be sold in the market.

Health Sector

This program focuses on providing healthcare services to *asnaf*, who may not have access to or the ability to pay for medical expenses.

a) Haemodialysis centre: Provides haemodialysis services for *asnaf* who suffer from kidney disease so that they can get the treatment they need without the heavy costs.

b) Mobile clinics: These clinics provide health services in areas that are less accessible to health facilities so that *asnaf* can get treatment and health checks directly where they live.

Education Sector

This education programme aims to improve the quality of education for *asnaf* and their children so that they have the opportunity to access better education.

a) *Zakat* school: Schools that are organized with the aim of providing better education for *asnaf* children at an affordable cost or even free of charge.

b) Distribution *of zakat* via religious school: *Zakat* distribution is channelled through religious schools to support education and teaching activities for *asnaf* and the general public.

c) Distribution via university *zakat* scholarship: *Zakat* scholarship to help *asnaf* continue their higher education at university so that they can access better education and acquire the skills needed to improve their life.

d) Overseas scholarship: A scholarship programme that allows *asnaf* or children of *asnaf* to continue their education abroad, providing greater opportunities for international quality education.

4.3.2.2 Improvement in *Zakat* Distribution

The researcher asked about the actions taken by LZNK to improve the efficiency of *zakat* distribution, as well as how these improvements contribute to more effective empowerment of the *asnaf*. Responses from informants show that LZNK continues to make improvements in the *zakat* distribution system to ensure that *zakat* is not only distributed appropriately and efficiently but also supports long-term empowerment for *asnaf*. As explained by P1, one of the improvements made in collaboration with the central government is to develop and provide more comprehensive data on *asnaf*. This allows LZNK to verify *asnaf* data and ensure that the assistance provided is only channelled to those who are truly in need and not to recipients of multiple assistance from various institutions.

> *"The collaborative steps taken with the central government include jointly developing and providing comprehensive data as carried out by the Ministry of Economy. Through this, we can cross-check asnaf data to determine whether they are only receiving assistance from Kedah Zakat or also from other agencies." (P1)*

This collaboration is important in ensuring the efficiency of *zakat* distribution, as it allows LZNK to avoid overlaps in assistance that could reduce the empowerment impact. By having more accurate and complete data, LZNK can ensure that *asnaf* who receive *zakat* actually need assistance, and *zakat* funds can be allocated more appropriately. In addition, improvements to the *zakat* distribution system are also very instrumental in increasing efficiency. P2 explained that LZNK is implementing an online *zakat* distribution system that will make it easier to track and identify the location of *asnaf*. By using this technology, LZNK can monitor *zakat* distribution in real-time, ensuring that *zakat* is distributed transparently and on target.

> *"Improvement distribution is in the system. An online zakat distribution system will be implemented to facilitate tracking and identifying the locations of asnaf." (P2)*

This online distribution system allows LZNK to track the flow of *zakat* from the collection to the distribution stage, thus helping to reduce the potential for abuse and ensuring that *zakat* assistance reaches the right hands. The use of technology in *zakat* distribution also increases transparency and accountability, two key factors in effective *asnaf* empowerment. P3 also added that one of the other improvements is training and skill development for *asnaf* who receive *zakat* so that they can gain useful abilities to improve their lives:

> *"We also emphasize skills development programs for asnaf. By providing them with training, we can help them gain skills that will empower them to achieve financial independence." (P3)*

This training program not only aims to meet the immediate needs of the *asnaf* but also to ensure that they can develop the necessary skills to be economically empowered in the long run.

In conclusion, improvements in *zakat* distribution implemented by LZNK, such as collaboration with the central government, implementation of the online distribution system, as well as skill development programs, are crucial in ensuring effective *asnaf* empowerment. This comprehensive approach ensures that *zakat* is used more transparently and effectively, providing a sustainable positive impact for the *asnaf*.

4.3.2.3 Selection of Empowerment Programmes

In *zakat* management, the process of selection is a crucial step to ensure that *zakat* funds are channelled to those who are truly entitled to receive them. Based on the informants' responses, LZNK uses a careful selection process to ensure that only those who are truly in need and capable of getting help are assisted. This selection process focuses not only on meeting the basic needs of *asnaf* but also on providing opportunities to develop their potential and skills, especially through entrepreneurship support and other programs. As explained by P1, the selection process starts with opening the opportunity to the public and receiving recommendations from various sources.

> *"First, we open it to the public. Second, recommendations can come from mosques or the zakat administrators." (P1)*

P1 emphasizes the importance of collaboration with communities and local *zakat* institutions such as mosques and *zakat* administrators. This collaboration helps LZNK obtain more accurate and comprehensive information about the *asnaf* who need assistance, as well as providing an opportunity for the community to self-nominate or recommend individuals who deserve assistance. P3 also explains the role of *amil* in the selection process, who are responsible for verifying the information and recommending the type of assistance needed by the *asnaf*.

> *"We use amils to verify the information. These individuals are responsible for identifying and recommending to the Zakat Board whether a person should receive assistance in the form of entrepreneurship support, food aid, healthcare, or other necessities. The amil will propose the type of aid needed, which helps us accurately identify eligible recipients." (P3)*

By involving *amil*, who are individuals closer to the community, LZNK ensures that selection is more precise and accurate. *Amil* has a better understanding of the local needs and individual conditions of the *asnaf*, which allows them to put forward recommendations that are more relevant and suited to the specific needs of the *asnaf*. This approach supports empowerment theory, which suggests that support customized to individual needs is more effective in helping them achieve socio-economic independence (Suleiman et al., 2018). P4 adds that the first criterion for selection is eligibility, followed by an assessment of the *asnaf's* ability to work. This process ensures that only those who can utilize the assistance provided will be selected.

> *"The first criterion is eligibility. Then, we assess the ability of the asnaf (zakat recipients) to work." (P4)*

This shows that LZNK focuses on providing assistance that is not only beneficial in the short term but also supports long-term empowerment by ensuring that the selected beneficiaries have the potential to contribute and work. By evaluating the *asnaf's* employability, LZNK ensures that the assistance provided can be utilized to its full potential, thus encouraging their independence.

In conclusion, the selection process applied by LZNK in selecting beneficiaries for the *asnaf* empowerment program focuses on the eligibility and long-term potential of *zakat* recipients. By involving recommendations from *amil* and considering employability and entrepreneurial potential, LZNK ensures that the assistance provided is not only beneficial in the short term but also supports the long-term empowerment of *asnaf*. This selection approach is in line with empowerment theory which suggests that effective empowerment involves providing assistance that matches individual abilities and needs, as well as creating opportunities for socio-economic independence.

4.3.3 Socio-Economic Impacts of *Zakat* Distribution on *Asnaf* in Kedah

Zakat plays a crucial role in alleviating poverty and enhancing the socio-economic welfare of the community, particularly for individuals classified under the *asnaf* category. In Kedah, the distribution of *zakat* is not solely focused on meeting the basic needs of the *asnaf* but also aims to address the broader socio-economic challenges they encounter in the long term. Based on the findings from interviews conducted, several key themes have emerged regarding the socio-economic impacts of *zakat* distribution on *asnaf* in Kedah. These themes will be detailed in Table 4.4.

Table 8.5
Socio-Economic Impacts of Zakat Distribution on Asnaf in Kedah

***Zakat* Contribution**	**Participant**
Fulfilment of the Basic Needs of *Asnaf*	P1, P2, P4, and P5
Assessment of Effectiveness	P1, P2, and P3

4.3.3.1 Fulfilment of the Basic Needs of *Asnaf*

Fulfilment of basic needs is one of the main aspects of the effort to empower *asnaf* through *zakat* distribution. Based on statements from informants, LZNK has committed to fulfilling the basic needs of *asnaf* through several programmes that help improve their standard of living. As stated by P1.

> *"To improve their economic standard, Lembaga Zakat Negeri Kedah helps through various schemes that have been provided." (P1)*

Based on this statement, it shows that LZNK not only provides direct financial assistance but also ensures that the basic needs of *asnaf,* such as housing, health care, and education, can be fulfilled through various assistance schemes adjusted to individual needs. In addition, P4, P2 and P5 also explained in more detail the concrete assistance provided by LZNK to fulfil the basic needs of the *asnaf*.

> *"There are asnaf whose houses are damaged, and Zakat Kedah will repair the houses. Some asnaf also need medical treatment, such as heart treatment, wheelchairs, and special beds, and we will assist according to the needs of each asnaf." (P4)*

> *"In addition to providing monetary assistance, LZNK also provides assistance in the form of house construction for asnaf, who needs a decent place to live. We also provide medical assistance for those who need specialised care, such as surgery or long-term medication, to ensure they get the treatment that suits their health needs." (P2)*

> *"LZNK not only provides direct assistance but also ensures that the educational needs of the asnaf children are fulfilled. We provide education assistance from*

scholarships to learning facilities to ensure that asnaf children have equal access to a good education and improve their quality of life." (P5)

The statement shows the importance of *zakat* in providing direct support that can ease the burden of *asnaf* life and ensure they have access to basic needs such as shelter and health, which are the basic rights of every individual. In addition, Education assistance, which includes scholarships and learning facilities, ensures that *asnaf* children get equal opportunities to pursue higher education.

4.3.3.2 Assessment of Effectiveness in *Zakat* Distribution

The researcher asked about how LZNK evaluated the effectiveness of *zakat* distribution and its impact on *asnaf* empowerment. Based on the informant's response, LZNK uses various assessment mechanisms to ensure that *zakat* distribution is not only efficient but also effective in empowering *asnaf*. This assessment process focuses on the annual evaluation, audit, and continuous monitoring that help LZNK adjust *zakat* programs and ensure long-term success for *asnaf*.

As explained by P1, LZNK has an *Asnaf* Development Division that is tasked with lifting *asnaf* from poverty and helping them transition from *zakat* recipients to *zakat* payers. Every year, this division evaluates the number of *asnaf* who have been sponsored and measures how many have successfully transitioned into *zakat* payers.

"Every year, we assess the number of asnaf (zakat recipients) and have a dedicated Asnaf Development Division. This division is responsible for lifting asnaf out of poverty and turning them into zakat payers. Through this division, we provide skills training programs. Each year, we evaluate how many asnaf

> *we have sponsored and how many have successfully transitioned from receiving zakat to becoming zakat payers." (P1)*

This approach reflects LZNK's focus on sustainable empowerment, where success is not only measured by the number of *zakat* recipients, but also on their transition to economic independence. This annual evaluation process ensures that the programs provided are relevant and effective in improving the quality of life of *asnaf*. This is in line with research conducted by Wahid et al. (2017), which shows that continuous evaluation is essential to ensure that empowerment programs have a significant and sustainable impact.

P2 added that LZNK conducts periodic evaluations, which include internal and external audits conducted by federal auditors and supervision from the federal government. These evaluations are important to maintain transparency and accountability in *zakat* management. External monitoring also ensures that LZNK complies with the standards set by the government and related institutions.

> *"To measure the effectiveness of zakat distribution, we conduct regular evaluations, including internal audits, external audits by federal auditors, and oversight from the federal government." (P2)*

With an external audit, LZNK can verify the effectiveness of *zakat* distribution more objectively and get useful feedback to improve *zakat* management. Research by Maisyarah and Hamzah (2024) underlines the importance of external audits to maintain public trust in *zakat* institutions and ensure that *zakat* funds are used in the right way. Then, P3 explains that LZNK has an evaluation mechanism that includes an annual "purification process" to ensure that *zakat* distribution is continuously updated and remains relevant to the needs of *asnaf*.

> *"Our evaluation mechanism includes an annual' purification process to ensure that zakat distribution is continuously updated and remains relevant." (P3)*

This process shows that LZNK is committed to continuous improvement and adaptation of the zakat program to keep it relevant to the changing needs and challenges faced by the asnaf. This approach is crucial in empowerment, as it allows LZNK to ensure that the assistance provided actually helps asnaf address their problems effectively.

Based on the above statement, LZNK's evaluation through internal and external audits, the annual purification process, and continuous monitoring are crucial in ensuring the effectiveness of *zakat* distribution and *asnaf* empowerment. By constantly assessing and adjusting *zakat* programs, LZNK ensures that the assistance provided not only provides a temporary solution but also empowers *asnaf* to move out of *zakat* dependency and achieve economic independence in the long run.

4.4 Summary of the Chapter

This chapter discusses the results obtained from the qualitative research method, which was conducted through interview sessions with five informants. The data collected was then analysed using the ATLAS.ti application to identify key themes and provide a deep understanding of the topic under study. The researcher answers the research questions by discussing the findings obtained from the interviews and data analysis. The next chapter will provide a discussion of the findings, recommendations, and limitations of the research.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1 Introduction

This final chapter will present conclusions from all the findings obtained in this research, as well as provide relevant recommendations based on the results of the analysis. This chapter will summarise the key findings that have been identified during the research process, followed by a more in-depth discussion of the implications of these findings. In addition, this chapter will also discuss the limitations found during the research process and provide suggestions that can enrich future research on the same topic. Finally, this chapter will provide an overall overview of the contribution of this research for a better understanding of *zakat* distribution management and asnaf empowerment in Kedah.

5.2 Summary of Research Finding

1. LZNK's *zakat* distribution management system is effectively designed to ensure *asnaf* empowerment through a clear allocation structure based on m*aqasid* s*yariah*, which emphasizes justice and welfare. The management process involves identifying the needs of *asnaf* through *amil* stationed at local mosques, ensuring that *zakat* reaches the right recipients. The *zakat* distribution mechanism considers both material support and empowerment, aiming to move *asnaf* from dependency to self-reliance. In addition, the use of technology, such as the *Zakat* on Touch platform, increases the transparency and efficiency of the distribution process. However, the need to improve the integration of empowerment programs was identified, especially in terms of skills development, venture capital support, and long-term socio-economic independence.

2. LZNK has implemented several *zakat*-funded programs aimed at empowering the *asnaf*, including financial assistance, housing assistance, medical assistance, and skills development. Programs such as entrepreneurship training and the provision of capital for business ventures are designed to help *asnaf* become economically independent. The success of these programs can be seen in cases where *asnaf* transitioned from recipients to *zakat* payers. Nevertheless, there are still challenges faced, including the limited scale of some programs and the need for more comprehensive support to ensure long-term sustainability. The evaluation of the programs shows that while they have had a positive impact on improving the socio-economic status of the *asnaf*, there is still a need for a more robust and integrated approach that combines financial, social, and educational support.
3. The socio-economic impact of *zakat* distribution in Kedah has been considerable, with many *asnaf* reporting an improvement in their standard of living. Assistance provided for housing, health and education has directly alleviated poverty, while business-related support has helped create new income opportunities. *Asnaf*, who participated in the entrepreneurship program, showed increased independence and financial stability. Despite these positive changes, the impact is not always sustainable in the long term. This study shows that while *zakat* has provided immediate relief, a more structured approach to long-term empowerment is needed to help *asnaf* move from dependency to self-reliance. Continuous monitoring and strategic support are essential to ensure that *asnaf* can maintain their progress without requiring further assistance from *zakat*.

5.3 Practical Suggestions

Several suggestions can be made to overcome these problems. Based on this research, suggestions can be outlined to LZNK. Among them are as follows:

5.3.1 *Zakat* institutions

5.3.1.1 Focus on specific conditions of *asnaf*

It is important for the LZNK to develop economic empowerment programmes that are adjusted to the specific conditions of each *asnaf*. Segment-specific approaches, such as empowerment for *asnaf* affected by illness, farm labourers, or poor families, will be more effective. LZNK can provide modified entrepreneurship programmes with intensive mentoring and access to markets so that asnaf can develop according to their abilities and needs.

5.3.1.2 Increasing *Muzakki* Participation

Challenges related to the lack of sufficient *zakat* collection to help *asnaf* out of poverty require strategies to increase *muzakki* participation. LZNK needs to conduct more extensive awareness campaigns to raise awareness of *zakat* obligations. One approach is to collaborate with religious organizations, the government, and the private sector to motivate more individuals and companies to pay *zakat*. In addition, it is important to implement a more efficient and affordable *zakat* system so that more people are encouraged to pay *zakat* voluntarily.

5.4 Limitations of The Study

This study faced several limitations that may affect the results and scope of the findings. The limited sample due to participants' busy schedules, as well as limited time for interview arrangements, reduced the amount of data that could be collected, which may limit the representation of the wider population. In addition, the time-consuming process of transcribing and analyzing the data also affected the depth of analysis. The limitations of this methodology, which relies on qualitative interviews, necessitated more time for data collection and more in-depth analysis. For future research, it is recommended to expand the sample with more diverse demographic variables, use a mixed approach (qualitative and quantitative) to get a complete overview, and provide more flexibility in interview settings to overcome time constraints.

5.5 Conclusion

This research successfully answers three main objectives that have been established. First, this study examines the management of *zakat* distribution in LZNK to ensure effective *asnaf* empowerment. The findings show that LZNK implements *zakat* management that focuses not only on fulfilling the basic needs of *asnaf* but also on long-term empowerment through education, skills training, and business capital assistance. This approach to *zakat* distribution is in line with *maqasid syariah* principles that emphasize the fulfillment of basic needs and the improvement of *asnaf's* economic independence.

Second, this study identifies and evaluates *zakat*-funded programs at LZNK that support the empowerment of *asnaf*. The results show that LZNK successfully implements programs that not only provide financial assistance, but also provide ongoing mentoring through entrepreneurship programs and skills training. These programs enable *asnaf* to manage their businesses independently and reduce dependency on *zakat* in the long run.

Third, this study assesses the socio-economic impact of *zakat* distribution on *asnaf* in Kedah. The research findings show that *zakat* distribution by LZNK plays an important role in fulfilling *asnaf's* basic needs, such as shelter, education, and healthcare needs, while still focusing on sustainable economic empowerment. *Zakat* programs that include education and entrepreneurship assistance have provided opportunities for *asnaf* to increase their income and quality of life.

Overall, the findings of this study show that *zakat* distribution by LZNK not only solves the socio-economic problems of *asnaf* in the short term but also supports their empowerment through programs that support economic independence. With a holistic and sustainable approach, LZNK has made a major contribution in reducing *asnaf's* dependency on *zakat* and improving their overall social welfare.

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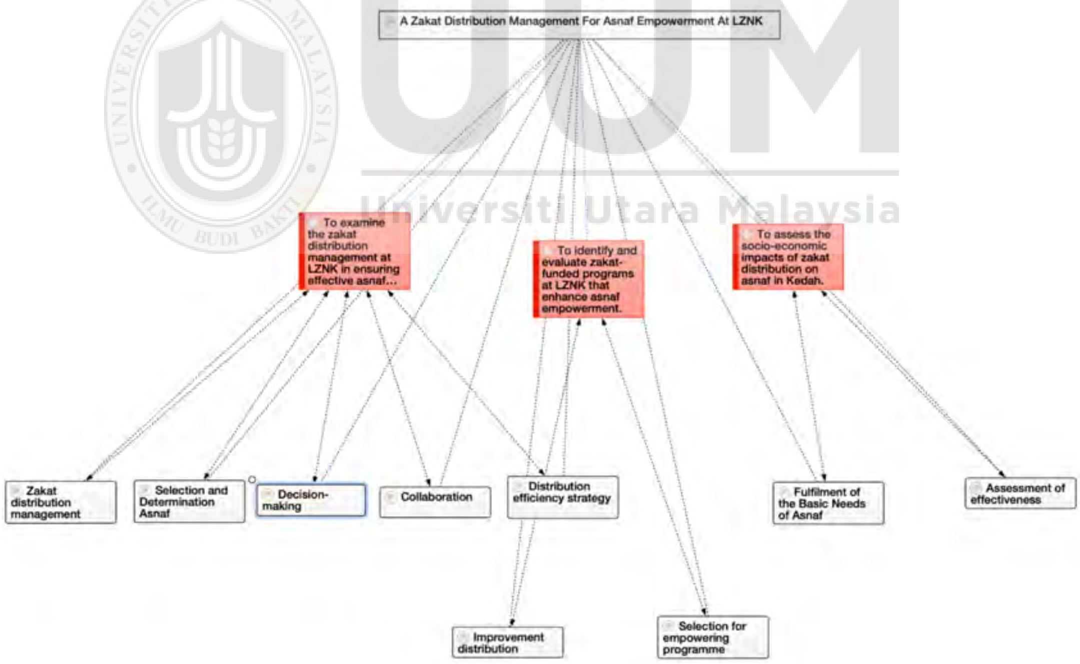
Appendix A

Zakat Fund Allocation 2019-2024

Sector	2019	2020	2021	2022	2023	2024
Social	MYR 71,185,536	MYR 73,479,360	MYR 73,974,578	MYR 73,720,969	MYR 94,034,252	MYR 115,742,353
Economic	MYR 83,830,569	MYR 83,462,488	MYR 91,370,301	MYR 83,904,217	MYR 135,293,997	MYR 163,878,138
Healthy	MYR 2,745,500	MYR 2,344,784	MYR 4,117,443	MYR 6,565,239	MYR 5,199,910	MYR 8,495,105
Education	MYR 34,860,916	MYR 36,411,585	MYR 36,282,500	MYR 42,288,067	MYR 57,937,417	MYR 60,252,184

Appendix B Interview Findings Framework



Appendix C Interview Questions

Theme: *Zakat* Distribution Management at *Lembaga Zakat Negeri Kedah* (LZNK)

1. Can you explain the current *zakat* distribution management practices at LZNK?
2. What are the main challenges faced by LZNK in managing *zakat* distribution effectively?
3. How does LZNK ensure that *zakat* reaches the intended beneficiaries?
4. Is there an evaluation mechanism to assess the effectiveness of *zakat* distribution?
5. How are transparency and accountability maintained in *zakat* distribution management?
6. What is the decision-making process in determining the allocation of *zakat* to certain *asnaf* categories?

Theme: *Zakat*-Funded Programs and Their Role in *Asnaf* Empowerment

1. What empowerment program does LNZK provide for *asnaf*?
2. How can *zakat* distribution in LZNK empower *asnaf* in their socio-economic status?
3. Can you provide an example of a successful *asnaf* empowerment program?
4. Can you give an example of a successful empowerment initiative facilitated by *zakat* distribution?
5. How is the *asnaf* selection process for the empowerment program carried out?
6. How is *asnaf* involved in designing the empowerment programme to ensure relevance to their needs?

Theme: Socio-Economic Impact of *Zakat* Distribution on *Asnaf*

1. How does LZNK assess the impact of zakat distribution on *asnaf* empowerment?
2. How does LZNK assess the impact of zakat on increasing the economic independence of *asnaf*?
3. What are the biggest challenges in ensuring that *asnaf* truly achieves economic independence?
4. Is there a long-term plan to support *asnaf* after they no longer receive *zakat*?