

ORGANIZATIONAL AND DEFINITIONAL RECONFIGURATION OF ZAKAT MANAGEMENT

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ABSTRACT

The encouraging accomplishment of contemporary zakat management is undoubtedly praiseworthy, but a thought on the avoidance of hiccups along the way is necessary. Based on the Malaysian experience, this paper attempts to explore into two simple objectives. Firstly, to identify the hiccups of the zakat management; and secondly, to endeavor a proposition to solve the hiccups so as to allow for a smoother zakat transformation. It will be shown that the occurrences of the hiccups lie mainly *inter alia* in the organizational structure and the definitional usage within the zakat management itself, hence we name them structural hiccup and definitional hiccup respectively. In the case of the former, there are issues of professionalism versus traditionalism and centralization versus decentralization; while in the case of the later, there are issues of the usage of Islamic definitions of the zakat-related concepts versus the western ethnocentric definitions of the same. The solutions prescribed for the structural hiccups would be the reconfiguration of the centralization and decentralization, and the professionalism and traditionalism. For the definitional hiccups, this paper is in favor of the reconfiguration of the definition of zakat-related concepts based on authentic sources of Islam, not on an eclectic-accommodative-modified definitions of the western ethno-centric concepts.

Keywords: Zakat, Zakat Management, Malaysia

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INTRODUCTION

Amidst a rather successful zakat management nowadays, there are still hiccups that interrupt the smoothness of the zakat accomplishment. Without referring neither to any particular State in Malaysia nor to any particular zakat management centers in the country, this paper intends firstly to identify these hiccups in Malaysia and secondly to propose ways in overcoming them.² This is done with an undeniable premise that the current zakat management has undoubtedly attained to some extent a substantial accomplishment. However, these accomplishments are observed to have suffered from at least two flaws. Firstly, the flaws in the organizational structure; and secondly, the flaws in the definitional usage in the operational dimension of the zakat management itself. If these flaws are overcome, the accomplishments are believed could be improved drastically.

In so doing, this paper is divided into two main sections. The first section discusses the flaws of the organizational structure while the second discusses the flaws of the definitional usage. In the first section, emphasis is given to two main flaws that are attributable to the hiccups, *viz.* the professionalism versus the traditionalism and the centralization versus the decentralization. In the second section, emphasis is given to the flaws of definitional usage, that is the usage of the un-redefined western ethnocentric concepts. Both sections intend to achieve the first objective of this paper, but embedded in them are also solutions to the hiccups in the form of the proposition to reconfigure the organizational and definitional problems, hence simultaneously achieving the second objective of the paper. All these are based on observations, and part of it participant observations, and encounters with the zakat management officials as well as zakat-related personals. Secondary references therefore do not become the main source of this paper, moreover there seems so far to be a lacking of the literatures on the issues discussed.

THE STRUCTURAL HICCUPS

In Malaysia, each State has its own zakat management institutions. They exist either in the form of an organized and professional zakat management center or in the form of a conventional department under the auspices of Baitul-Mal. The examples of the former are the Zakat Collection Center Wilayah Persekutuan Kuala Lumpur (PPZ-MAIWP) established in January 1991, Pulau Pinang Zakat Management Center [PUZ-PP] established in June 1994, Selangor Zakat Center (PZS-MAIS) established in 1992, Negeri Sembilan Zakat Center (PZ-MAINS) established in September 1998, Pahang Zakat Center [PZ-MAIP] and Melaka Zakat Center [PZM] both established in 1996. The

² Malaysia consists of 13 states. In each of the states, there is a zakat management centre, or a department dealing with zakat, positioned under the auspices of the respective State's Islamic Religious Council.

examples of the later could be found in the rest of the other States of Malaysia such as in the States of Kedah, Perlis, Kelantan, Terengganu, Perak and Johor.³

Irrespective of the form of the zakat management, either the organized and professional institution or the conventional departmental structure, both are governed by respective State's Islamic Religious Council (SIRC). This is bound by item 1 of List II (State List) of Schedule 9 of the Federal Constitution. It provides every State, *inter alia*, the power to enact Islamic laws in their respective States, under the leadership of the Sultan as the Head of the State (Mohamed Suffian, 1978). In realizing this, the SIRC is given the task to establish Shari'ah Enactments, including on the affairs of Zakat and Baitulmal, and ensure their effective implementation⁴.

Experience has shown that, being under the auspices of the SIRC, the zakat institutions, especially those of the organized and professional zakat management centers, seem to face the hiccups in two ways. The first is due to the question of structural autonomy and the second is due to the nature of their operational mechanism.

Firstly, in the real sense, the zakat management centers, regardless whether they are the organized and professional centers or moreover those of the departmental institutions, are not really autonomous. They have to be accountable to their respective SIRC, according to policies and regulations designed and agreed upon by the SIRC.

In some cases, even in publishing a paper, the management centre has to get a green light from the SIRC. A Chief Executive Officer (CEO) of an organized and professional institution zakat management center, for instance, used to have been refused by the SIRC a permission to publish his article in an outside edited book. The same zakat management center too used to have been questioned by the SIRC for their active social welfare activities, even though the fund for these activities come from the center's share as the collector of zakat (*amil*). In other words, there could be a clash of opinion in pursuing an endeavor. The CEO views the publication and social welfare activities as beneficial endeavors in knowledge dissemination and social obligation, hence fortifying the confidence of zakat payers as well as consequently increasing its collection. But the SIRC, on the other hand, may see them as exposing internal data, facts and information that may be detrimental to the SIRC as well as displaying the center's activeness and efficiency more than the SIRC itself. In extreme cases, the SIRC in the State and another one in another State feel

³ Amongst these States, the zakat management in the State of Kedah seems to be a little bit unique. Its zakat management centre is the only centre that is operated by a Department of Zakat and supervised directly by the Sultan. In other States, the zakat management is handled by the Baitul-mal of the State Islamic Religious Council. In both structure, however, the Sultan, Mufti and the State Religious Officials are responsible in issuing fatwa relating to zakat rules and regulations of their respective States.

⁴ For a brief background on the evolution of zakat management in Malaysia, see Shawal Kaslam (2007).

uncomfortable with the popularity and energetic activities of the organized and professional zakat management centre, more than the SIRC itself. In any circumstances, the SIRC has to be seen as more superior than the zakat management center, for the SIRC is the umbrella organization of the zakat management center, not otherwise.⁵

Secondly, subsequent to the problem of the structural constraints, the operational smoothness of the zakat management center is also hindered by two other problems that are entrenched in their operational mechanism. The two problems are the problems of professionalism versus traditionalism and the problems of centralization versus decentralization.

The problems of the professionalism versus traditionalism arise in between also those two entities, the organized and professional zakat management centers and the SIRC. While the zakat management centers generally operate with a certain extent of professional management culture, the SIRC operates with a certain extent of traditionalist management culture. The professional management culture here refers to the corporate culture, adopted especially by the organized and professional zakat management institutions such as those in the States of Selangor, Penang and Federal Territory of Malaysia. The traditionalist management culture on the other hand refers to a management culture that is relatively rather conservative and impassive, with a certain degree of unassertiveness and in some cases, inertia.

The consequences of such a dual-management culture could be witnessed especially amongst those zakat management centers with single-tasking, that is merely the collection of zakat. In Malaysia, only a handful of zakat management centers are given the dual-tasking, that is both collecting and distributing zakat. Many others are only responsible in collecting zakat alone, while the distribution is handled by their respective SIRC. In consequence, the efficiency and effectiveness in between the collection and distribution of zakat is rather imbalanced. While the collection undertaken through the corporate culture seems to be more aggressive and successful, the distribution operated through the traditional management culture seems to be relatively inept and protracted.

The collection-distribution imbalance has also become one of the factors attributable to the unpleasant managerial and psychological relationship between some zakat management centers and their respective SIRC, moreover if the accomplishment of the former is much more visible than of the latter. In some cases, the unpleasant relationship goes beyond the cause of the managerial and psychological domain, to include some obnoxious personal attitudes of personnel in either the zakat management centers or the SIRC. While there may exist personnel of the traditionalist management culture that are conservative but relatively more humanistic, the personnel of the corporate culture on the other hand may also well be professional but relatively more mechanistic.

⁵ One of the members of the Board of Directors of one of the SIRC, in a discussion in improving the management of the SIRC, used to request the present author to think of a way in suppressing the image of its zakat management centre so that it could not overwhelm the image of the SIRC itself.

Moreover, the corporate culture that is adopted by most of the zakat management centers is more of a western corporate culture rather than of an Islamic corporate culture⁶. What matters to such kind of management culture is numbers, appraised by quantitative measurements. This is inadequate in the eye of Islamic corporate culture. In Islamic corporate culture, the appraisal goes beyond the tangible measurements to include intangible components such as faith (*iman*) and desires (*nafs*).

Such a phenomenon entails with a management cultural confusions that hiccup the smooth sailing of the zakat management in some zakat management institutions in Malaysia. This is exacerbated by the problems of centralization of the zakat management system itself. In most of the States in Malaysia, the zakat management system could be said to have been centralized rather than decentralized. Although there may be branches of zakat management offices on the ground, but policies and decisions on a substantial numbers of matters are controlled by the headquarters of the zakat management centers, which are usually located in the capital city of the respective States. This is problematic for a vast state such as Sarawak, Sabah, Selangor, Perak, Pahang, Terengganu, Kelantan, Johor, et cetera, or even for a small state such as Penang and Perlis. Firstly, there may emerge a wide gap between the zakat management centers and the zakat payers and recipients due to geographical distances. Secondly, there may emerge red-tapism due to elongated and sometimes complicated bureaucratic process in dealing with either the collection and moreover with the distribution of zakat and other related matters. Thirdly, there may emerge the problems of an absence of popular participation in an endeavour to collectively improve the zakat collection and distribution.

It is because of this that earlier elsewhere, we have proposed a sort of reconfiguration to the centralization-decentralization imbalance through a zakat management approach we called localization of zakat (Muhammad Syukri Salleh, 2006)⁷. By localization we mean a reconfiguration of the zakat management operational mechanism in balancing the heavily centralized management

⁶ This is a reality in most of the Islamic development institutions (worshipping, educational, banking, financing, socio-economics, administrative, jurisprudence, medical, and social institutions) in Malaysia. Fadzila Azni Ahmad (2011) for instance has shown that out of 20 Islamic development institutions in Malaysia she has researched on in 2008, only three adopted a management culture that is rooted in Islamic management method. They are firstly, the Celestial Management which has been developed and used by Bank Muamalat Indonesia, and later on by Bank Muamalat Malaysia Berhad; secondly, the Tawhidic Management Method which has been developed and advocated by Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM); and thirdly, the Management-by-Shura which has been formulated and promulgated by Mohd Affandy Hassan. The other 17 so-called Islamic development institutions, however, used conventional quality-related method, especially the Total Quality Management (TQM), ISO 9000, QCC, 5-S, TQC, BPR, 7-S dan Kaizen. See also Lenny ak Luat (2010), for a rather intensive discussion on the three Islamic management methods from human development perspective.

⁷ Hairunnizam Wahid, Radiah Abdul Kader, and Sanep Ahmad (2011) have tried to explore the feasibility of such a theoretical idea by carrying out an empirical study on the possibility of using the mosques as the localization institution. They came to a conclusion that localization is a viable solution in overcoming the problems of zakat distribution in Malaysia.

system with the decentralized management system. While main policies and pertinent decisions are still held by the headquarters of the zakat management centers, some degree of managerial power and privileges are given to their branches on the ground. By this, red-tapism and elongated bureaucratic procedures is hoped to be able to be avoided, and an efficient and effective collection and distribution of zakat could be attained.

This also has to be adopted in the relationship between the zakat management centers and their respective SIRC. At the level of the relationship between zakat management centers and the SIRC, decentralization of the managerial power and privileges has to be streamed down to the zakat management centers. At the level of the relationship between zakat management centers and their branches at the lower levels, decentralization of the managerial power and privileges has to be streamed down to the later. Lastly, at the level of the relationship between the local branches of the zakat management centers and the local public, especially the zakat payers and recipients, a substantial degree of cooperation has to be created so as a sense of belonging amongst the locals towards the zakat management could be developed.

The localization approach therefore, as a reconfiguration of the problems of centralization versus decentralization, consists of three main components, that is the decentralization, localization, and popular participation. If these are coupled by a reconfiguration of the problems of traditionalism versus professionalism, the structural hiccup that interrupts the smooth sailing of the zakat management centers in Malaysia could be minimized, if not at all eliminated. Reconfiguration of the problems of traditionalism versus professionalism in fact is already entrenched in the reconfiguration of the relationship between the zakat management centers and their respective SIRC within the decentralization process of the localization approach. The paternalistic attitude of the SIRC towards zakat management centers has to be reasonably avoided, while the obnoxious personal attitudes of personnel in both the zakat management centers and the SIRC have to be diagnosed and prescribed with right solutions.

THE DEFINITIONAL HICCUPS

Another factor that contributes to the hiccupping of the zakat management in Malaysia is the undefined definition of the zakat related concepts (Muhammad Syukri Salleh 2011). While the accomplishment in the collection of zakat is encouraging, the accomplishment in its distribution in which many zakat related concepts are involved, is much to be desired.

The concepts such as poverty and quality of life which are popularly hoped to be respectively overcome and achieved by the usage of zakat, have been used as defined by the western ethno-centric thinkers. The conventional western ethno-centric tangible indicators of poverty such as the levels of productivity, income, purchasing power and consumption are accepted and used without question, let alone redefining them. In such a circumstance, the determinants of the success of the

alleviation of poverty therefore are those of the western ethno-centric determinants, although the tool to attain the alleviation is an Islamic institution called zakat.

In fact, as the determinants are the western ethno-centric determinants, so is the logic. Abu Umar Faruq Ahmad, M. Kabir Hassan & Abul Kalam Muhammad Shahed (2006:19) for instance argue for the ability of zakat in alleviating poverty exactly through the western ethno-centric logic. They say by financing hardcore poor with zakat, their level of consumption could be increased. This would lead to an increase in aggregate consumption, employment opportunities, output, quality of life and eventually an economy with a high level of output. Like the western ethno-centric logic, this logic is based on the maximization of output in accomplishing the ultimate aim of the western ethno-centric economy, that is the maximization of consumption.

Similarly, other indicator of the western ethno-centric theory such as Gross Domestic Product-GDP) is also used by Muslim scholar such as Habib Ahmed (2004:16) to measure the success of zakat in the endeavor of alleviating poverty. He argues that if the per capita GDP is low and the numbers of the poor is high, then the potential of zakat in alleviating poverty is also low. The indicator that has been used in measuring the potential of zakat in this case is obviously the conventional western ethno-centric indicator. In addition, there are many other western ethno-centric indicators or models that have been used without redefining them. Amongst them are general equilibrium model, Pareto efficiency, Diamond criteria, Ponzi game, and Walaras' law that have been used for instance by Haitham A. Al-Zoubi, M. Kabir Hassan, Bashir Al-Zu'bi, & Aktham Maghyereh (2008) in proving the ability of zakat in accomplishing a just distribution of income. Apart from that, 7s Mac Kinsey's indicators are also used by zakat practitioners such as by Sohaimi Hj. Mohd Salleh dan Mohd Gunawan Che Ab Aziz (2011) in evaluating the effectiveness of zakat institutions in Malaysia.

Such a trend is also visible in the case of the quality of life. Hairunnizam Wahid, Sanep Ahmad & Mohd Ali Mohd Noor (2004) for instance, in an attempt to explore the possibility of raising the quality of life through zakat, use the conventional western ethno-centric indicators to measure the so-called quality life. Those indicators are transport and communication, health, education, housing, water and electrical supply, social participation, self-achievement, healthy life culture, knowledge achievement and freedom, enjoying a standard of living higher than the basic needs, and individual psychology in accomplishing social happiness. They do not only not redefine all these concepts according to Islam, but also endorse their similarities with the meaning of quality of life that has been developed by western scholars named Burnel dan Galster (1992).

All the above trend of the usage of unredefined western ethno-centric concepts is also adopted widely by most of the zakat management centers in Malaysia. They have attempted the maximum usage of zakat in solving the problems of the zakat recipients (*asnaf*) such as poverty as well as increasing the zakat recipients' standard of living through the improvement of their quality of life.

However, the definition of the poverty and the quality of life is still confined to the western ethno-centric definitions, hence the measurements and indicators. Even if there is a success in alleviating poverty and increasing the quality of life, it is only in the view of the western ethno-centric theory. The society that has been developed through zakat but with the western ethno-centric measurements and indicators would definitely be a western ethno-centric society, not an Islamic society. So is the system. Zakat in its present form and practice therefore in actual sense has yet to be able to develop an Islamic society and system. Instead, it is strengthening the western ethno-centric-based society and system.

This problem is not only actually posing the hiccup in the zakat management in Malaysia, but indeed a failure in establishing an Islamic society and an Islamic system through zakat. The reconfiguration needed in overcoming this problem is obviously a redefinition from an Islamic perspective of all the concepts involved in the management and implementation of zakat. By this, an Islamic society, enjoying an Islamic system of life, could be possible.

CONCLUSION

This paper is written with three stances. Firstly, the discussion on the flaws of the zakat management does not at all deny the substantial accomplishment of the zakat management in Malaysia. Secondly, the flaws discussed are not happening in all zakat management centers in Malaysia; they are just a phenomenon of some, with cases spreading over across the board, some in isolation and some in trend. Thirdly, the flaws are just the elements of hindrance that hiccup their smooth accomplishment. And fourthly, if these flaws are reconfigured accordingly, the accomplishment of the zakat management centers in Malaysia is believed to be more encouraging and successful.

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