Journal of Information Systems Engineering and Management
2025, 10(5s)
e-ISSN: 2468-4376
https://www.jisem-journal.com/

Research Article

Empowering Lives: Unveiling the Impact of LZNK Business Capital Assistance through the MAQASID SHARIAH Lens in Alignment with the Sustainable Development Goals (SDG)

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ARTICLE INFO

Received: 12 Oct 2024

Revised: 14 Dec 2024

Accepted: 24 Dec 2024

ABSTRACT

Objective: The objective of this study is to investigate the effectiveness of business capital assistance provided by the Kedah State Zakat Board (LZNK) in fulfilling the basic needs of *Al-Daruriyyat*, with the aim of understanding its impact on recipients' religious, personal, intellectual, progeny, and financial well-being.

Theoretical Framework: The main concepts and theories that underpin the research are presented through the lens of *Maqasid Shariah*. This framework provides a solid basis for understanding how zakat distribution aligns with Islamic principles and supports the United Nations Sustainable Development Goals (SDGs), particularly Goals 1 and 8.

Method: The methodology adopted for this research comprises a qualitative study design, involving in-depth interviews with recipients of the Self-Reliance Assistance Scheme. Data collection was carried out through structured interviews to gather detailed insights into the experiences and outcomes of the participants.

Results and Discussion: The results obtained revealed that LZNK's capital aid successfully meets the basic needs of *Al-Daruriyyat*, with recipients reporting positive impacts across various aspects of their lives. In the discussion section, these results are contextualized in light of the theoretical framework, highlighting the alignment with *Maqasid Shariah* and the SDGs. Possible discrepancies and limitations of the study are also considered in this section.

Research Implications: The practical and theoretical implications of this research are discussed, providing insights into how the results can be applied or influence practices in the field of zakat distribution and socioeconomic development. These implications could encompass poverty alleviation strategies and sustainable economic growth.

Originality/Value: This study contributes to the literature by offering a comprehensive analysis of zakat distribution through the *Maqasid Shariah* perspective, highlighting its potential as a tool for sustainable development. The relevance and value of this research are evidenced by its potential impact on poverty reduction and economic development practices.

Keywords: zakat distribution, Maqasid Shariah, capital assistance, sustainable development goal, socioeconomic impact.

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INTRODUCTION

Poverty among the global population in general, and in Malaysia in particular, is a persistent and challenging phenomenon. Despite various government programs aimed at eradicating poverty with substantial allocations of hundreds of millions of ringgits each year, the issue persists. However, the poverty rate is not static and can be reduced with efforts from individuals and support from authorities. Currently, one form of support highlighted is the distribution of zakat aid by zakat institutions.

In Malaysia, zakat institutions have been mandated to collect and distribute zakat funds to eligible recipients to help them sustain their livelihoods and become zakat contributors (Aryati Juliana, 2018). For the state of Kedah Darul Aman, the collection and distribution of zakat are under the authority of the Kedah State Zakat Board (LZNK). Table 1 shows the zakat distribution statistics for LZNK from 2018 to 2021. Almost every year, poor (miskin) recipients often receive a high allocation of zakat compared to other categories, indicating their continued reliance on zakat assistance for their living needs.

Table 1: Zakat Distribution Statistics of Kedah State Zakat Board for the Years 2018, 2019, 2020, and 2021

Recipients	2018(RM)	2019(RM)	2020(RM)	2021(RM)
Al-Gharimin	1,510,833.88	57,798.40	60,707.43	414,427.38
Amil	28,159,238.06	25,998,379.72	24,214,947.57	28,449,436.42
Al-Riqab	14,600.00	29,386.15	17,379.90	3,339,725.50
Fakir	165,371.40	127,800.00	45,187,674.32	34,920,575.50
Fisabilillah	64,685,352.26	64,778,360.36	66,532,404.50	59,222,849.44
Ibni Sabil	224,515.00	180,036.00	1,296.30	71,437.38
Miskin	81,687,536.30	98,290,566.48	58,112,487.26	77,885,497.94
Muallaf	2,174,163.10	3,160,194.01	1,571,320.19	1,440,871.94

Source: Lembaga Zakat Negeri Kedah Distribution and Collection Report 2011-2021

Various types of assistance and schemes have been provided, especially for the poor group, to help them break free from the cycle of poverty. This study focuses on the Self-Empowerment Scheme because it aims to generate long-term income and assist in transforming recipients into entrepreneurs through the provision of business capital. In addition to financial aid in the form of revolving capital and equipment, LZNK has also taken the initiative to provide training and guidance to ensure that recipients can generate their income. However, not all recipients succeed in becoming entrepreneurs. According to Mr. Azizul, Deputy Executive Operations Distribution of LZNK (2021), out of 200 zakat recipients, only 15 have successfully transitioned from zakat receivers to zakat payers.

This situation has led to a negative perception of the zakat institution within society. This is because they are seen as failing to care for and meet the needs of the poor who require zakat assistance and support. For decades, society has questioned the administration of zakat institutions, and this criticism has escalated, especially with the advent of social media platforms such as Facebook, Instagram, Twitter, WhatsApp, and others. The poor are still in the same economic situation, showing no improvement despite receiving zakat assistance, and they continue to rely on zakat for their survival. Moreover, the poor are often labelled as a group that resists change and consistently relies on zakat aid for their livelihoods. Society concludes that zakat institutions fail to transform this group from zakat receivers to zakat payers. However, such accusations are unfair to zakat institutions because they are based solely on economic perspectives, focusing on changes in income levels. It is unfair to label the poor as resistant to change based only on economic considerations.

Furthermore, the seriousness of zakat institutions in ensuring comprehensive zakat distribution can be seen from the annual distribution statistics. The amount of zakat distributed each year approaches the amount collected, and sometimes, the distribution exceeds the collection for a particular year. Table 2 shows the comparison of LZNK's collection and distribution statistics, along with the percentage of distribution from 2011 to 2021. Zakat distribution in the years 2012 to 2019 exceeded 90% of the total zakat collected. In 2018, 2016, and 2015, the percentage of zakat distribution even exceeded 100%. This demonstrates LZNK's commitment to zakat distribution, ensuring that collected zakat funds are allocated to deserving recipients.

Table 2: LZNK Collection and Distribution Statistics for the Years 2011 to 2021

Year	Collection	Distribution	% Distribution
2021	232,793,958.19	205,744,821.50	88.38
2020	217,918,496.42	195,698,217.47	89.80
2019	197,253,799.38	192,622,521.12	97.65
2018	178,093,158.54	178,621,610.00	100.30
2017	166,955,966.15	152,533,824.66	91.36
2016	141,144,268.80	162,110,128.07	114.85
2015	134,488,295.96	154,774,347.03	115.08
2014	128,930,825.31	120,955,434.63	93.81
2013	116,091,541.73	107,770,089.75	92.83
2012	101,558,130.36	99,434,434.47	97.91
2011	101,560,708.76	79,021,340.42	77.81

Source: Lembaga Zakat Negeri Kedah Distribution and Collection Report 2011-2021

The primary objective of zakat distribution to the poor and needy recipients is to help them break free from the cycle of poverty. Although a significant amount of zakat funds is spent on helping the poor, zakat distribution alone will not solve the issue of poverty if recipients fail to use zakat funds to generate income but continue to depend on future zakat funds. Efforts are needed to ensure that recipients can sustain their livelihoods, meet their daily needs, and improve their living standards. Therefore, zakat institutions need to explore ideas to help recipients generate their income by starting small businesses or becoming productive to earn their living.

Zakat funds are spent in both financial and non-financial forms, including training, education, workshops, and courses to equip zakat recipients with skills and knowledge to enhance their status. Besides the financial aid given to the less fortunate, some zakat institutions have established specific programs or schemes to improve the livelihoods of recipients through business activities. For instance, the Selangor Zakat Board has introduced the Entrepreneurship Scheme to facilitate a chosen group of zakat recipients in starting small businesses. In Penang, a program known as the Economic Recipients Scheme has been established by the Penang Zakat to assist zakat recipients in reducing poverty. LZNK is also active in developing recipients entrepreneurs, with the establishment of the Self-Empowerment Assistance Scheme to aid potential recipients in the business.

The Self-Empowerment Assistance Scheme has two aid scopes: (i) assistance in the form of goods or equipment and (ii) assistance in the form of working capital not exceeding RM3,000 (LZNK website, 2021). The amount given is subject to the primary needs and considerations of the District Zakat Officer. Most applications received are from the poor recipients engaged in small-scale businesses. Applicants must comply with the application requirements set by LZNK, including being a Muslim, categorized as poor recipients, running a business that complies with Shariah and legal principles, and submitting visual reports of the applicant's residence, workshop or shop, and existing equipment. The Self-Empowerment Assistance Scheme aims to lift the poor recipients out of the cycle of poverty, hoping that they will no longer be zakat recipients in the future or at least achieve a minimum quality of life.

However, current assessments are based on the increase in the income of recipients alone. The effectiveness of zakat distribution requires a more comprehensive evaluation to provide a fairer picture. *Maqasid Shariah* outlines three levels of human needs and interests: *Al-Darurriyat, Al-Hajjiyat,* and *Al-Tahsiniyat*. Islam encourages efforts to achieve all three levels, but priority must be given to *Al-Darurriyat* because it constitutes the basic universal needs of humans (Mahamad, 2015). This study focuses on how the Self-Empowerment Assistance Scheme successfully fulfills the basic needs of *Al-Darurriyat* for recipients and how this scheme can improve their quality of life.

Research on the effectiveness of zakat distribution in reducing poverty has been conducted by many researchers (Fuadah Johari, 2004; Mujaini Tarimin, 2005; Fatimah Wati Ibrahim dan Mohd Faisol Md Salleh, 2006; Anuar Mohamad, 2008; Rosbi and Sanep Ahmad, 2010; Maheran Zakaria, Amini Amir Abdullah and Mohd Fahme, 2010; Mahyudin Abu Bakar and Abdullah Abdul Ghani, 2011). Generally, poverty is assessed based on the minimum

income level, where anyone below the minimum income level is categorized as poor. Income has been widely used as a measure by previous researchers, where an increase in the income of zakat recipients signifies the effectiveness of zakat distribution (Fuadah Johari, 2004; Mujaini Tarimin, 2005; Fatimah Wati Ibrahim dan Mohd Faisol Md Salleh, 2006; Mohamad Amar, 2008; Maheran Zakaria *et al*., 2010). Additionally, income is often used as a tool to measure the adequacy of basic needs in many countries. Despite its widespread use, the income measure is considered inadequate because it involves only one perspective (Mohamad Saladin, Ariffin & Mohd Fauzi, 2010).
Based on the discussed issues, the researcher believes there is a need for a study to explore the effectiveness of zakat distribution through business capital assistance from the perspective of *Maqasid Shariah*. Furthermore, this study is hoped to assist zakat institutions in distributing zakat more efficiently and effectively.

THEORETICAL FRAMEWORK

2.1 Distribution of Zakat

Zakat is one of the pillars of Islam established by Allah SWT and is an obligation of every Muslim. Additionally, zakat serves as a mechanism for the distribution of wealth and social balance as ordained by Allah SWT. The recipients of zakat have been mentioned in the Qur'an:

"Indeed, the [prescribed] charity are only for the poor, and the needy, and those who administer it, and those whose hearts are to be reconciled, and for [the freeing of] slaves and debtors, and for the cause of Allah, and for the stranded traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise." (At-Taubah, 9:60)

Based on this verse, eight (8) groups of people are eligible to receive zakat. They are the poor (*al-fuqara'*), the needy (*al-masakin*), administrators, those whose hearts need to be reconciled, slaves, debtors, those fighting for the cause of Allah, and travelers. Thus, indirectly, this verse indicates the importance of distributing zakat compared to determining its sources because it is directive in nature. Furthermore, the verse explicitly indicates that the poor are among the primary groups in the order of eligible recipients of zakat. This gives the impression that zakat distribution should prioritize this group over others.

This verse explains the groups eligible to receive zakat, known as "zakat recipients." In summary, zakat recipients consists of the groups of the poor, needy, administrators, new converts to Islam, slaves, debtors, those fighting in the cause of Allah, and stranded travelers. Indeed this is an obligation from Allah SWT and Allah SWT is all-knowing and all-wise.

2.2 Concept of *MAQASID SHARIAH*

The concept of *Maqasid* is defined as something that promotes good and prevents evil to avoid harm. This concept is based on the well-being of humanity (*maslahah*) in every place and time, aligned with the guidelines of Shariah, as emphasized in Surah Al-Anbiya' verse 107:

"And We have not sent you, [O Muhammad], except as a mercy to the worlds."

Indirectly, the concept of Rahmatan Lil 'Alamin, based on humanity; values and civilization; justice; and diversity applied in the administrative and managerial systems of organizations as well as at the national level, is translated into the concept of *Maqasid Shariah*. The concept of *Maqasid Shariah* is divided into several foundations, namely *Dharuriyyah, Hajiyyah, Tahsiniyyah, Maslahah*, and *Mafsadah*; *Siyasah Shari'iyyah*; and the five principles (Kuliyyah al-Khams). All these concepts are integrated into the model of forming systems in Malaysia, whether in administration; legislation and Islamic law; Islamic economics and finance; social and cultural aspects; and education (JAKIM, 2019).

Maqasid Shariah is the goal that Shariah aims to achieve for the benefit of humanity. Allah SWT has established His Shariah to bring good (*maslahah*) to humanity and prevent harm (*mafsadah*). The goals are divided into three levels: (1) essentials (*daruriyyah*), (2) needs (*hajiyyah*), and (3) luxuries (*tahsiniyah*).

According to *Maqasid Shariah*, the needs and interests of humanity worldwide are based on three levels of importance: *Al-Daruriyyat, Al-Hajiyyat*, and *Al-Tahsiniyyat* (Al-Shatibi, 1997). *Al-Daruriyyat* represents the necessities needed for well-being and survival. If not addressed, it would destroy the entire human life system. *Al-Hajiyyat* represents objectives or goals needed to achieve comfort in life and eliminate the usual hardships. *Al-Tahsiniyyat* is an effort to fulfill ordinary needs and basic interests as a complement to the achievement of *hajiyyat* and *daruriyyat* (Al-Ghazali, 1993).

2.3 *AL-DARURIYYAT*

The effectiveness of zakat distribution to these recipients' groups should be seen in a broader context, namely how it can help them meet the needs outlined in *Maqasid Shariah*. The principles stated in *Maqasid Shariah* look at an individual's goals, which must fulfill the five (5) outlined needs: preserving and safeguarding religious purity (*al-din*), guaranteeing the safety of life (*al-nafs*), ensuring the dignity of reason and intellect (*al-aql*), safeguarding personal honor and dignity (*al-nasb*), and safeguarding wealth (*al-mal*).

The first principle in *Maqasid Shariah*, preserving the purity of religion (al-din), ensures that every Muslim adheres firmly to Islamic teachings and does not engage in anything contrary to them. Thus, every action and effort, including seeking livelihood and improving living standards, follows the principles of Islam.

The second principle, ensuring the safety of life (*al-nafs*), encourages individuals to strive hard to ensure their ability to safeguard themselves and their families. Consequently, their behavior is based on maintaining harmony and avoiding actions that may pose a danger to themselves and others. Therefore, Shariah law requires humans to perform essential actions such as consuming nutritious food, wearing clothing, and having a place to live that ensures their safety (JAKIM, 2019).

The third principle, meeting the need to maintain the sanity of the mind and intellect (*al-aql*), encourages every individual to use their intellectual abilities to acquire various knowledge and skills to ensure their well-being, their families, and societies. This is crucial to allow humans to organize their life systems perfectly. Maintaining sanity is also essential to avoid causing problems or becoming a burden to society.

An individual must also meet the fourth principle, safeguarding self-honour and dignity (*al-nasb*). This means that those who can maintain the limits of self-honour, dignity, and reputation indirectly contribute to building an honourable society. They will be accepted and respected, and they will always adhere to Islamic teachings and refrain from doing something that may ultimately damage their dignity and lineage.

The fifth principle, safeguarding wealth (*al-mal*), means that Islamic teachings do not prevent people from pursuing wealth as long as the acquired wealth is from legal methods and sources. A Muslims must wisely use available opportunities to earn a living and, in turn, preserve property for the well-being of themselves and their families. This implies that life cannot be sustained without wealth.

In summary, these five principles in *Maqasid Shariah* are needs that every individual must fulfil to ensure they become members of a society guided by Islamic principles. Therefore, it is appropriate to assess the effectiveness of assistance such as zakat capital aid based on how well they meet these needs according to the principles of *Maqasid Shariah*.

METHODOLOGY

The participants in this study consist of recipients of business capital zakat assistance in the state of Kedah under the Self-Reliance Assistance Scheme. This study focuses on this scheme because this scheme encourages the recipients to venture into business and subsequently generate long-term income. In addition to the revolving capital and equipment assistance provided, training and guidance are also given to realize the LZNK's goal of transforming recipients into entrepreneurs. The list of names of recipients of business capital zakat assistance was obtained from the LZNK. From this list, the researcher selected several recipients of zakat capital assistance for interviews.

Interview sessions with zakat capital assistance recipients were conducted based on the recipient data provided by LZNK. The questions asked revolved around the five needs. Before asking research questions to answer the research questions, the researchers began by introducing themselves and other research team members and explaining the purpose of the interview session. Furthermore, the researcher asked about the background of the respondents, such as age, marital status, number of family members or dependents, type of aid received, year of aid received, and the business they operate. The first question asked was "Why apply for zakat capital assistance?" All respondents gave the same answer, namely, to develop their existing business. In the next session, the researcher asked about the respondents' perceptions of how this zakat capital assistance can preserve religion (*deen*), life (*nafl*), intellectual (*aql*), progeny (*nasb*), and wealth (*mal*). In-depth and detailed interview sessions were

conducted to achieve the research objective, which is to obtain the views of zakat capital assistance recipients on the basic needs of *Al-Daruriyyat*.

RESULTS AND DISCUSSIONS

4.1 Participant Profile

Out of the 13 study participants, five were male, and the rest were female. Three participants were aged between 30-39 years, four were in the range of 40-49 years, and six were 50 years and above. Seven participants were from the Kota Setar district, with the rest from Kubang Pasu (3 participants), Pokok Sena (2 participants), and Padang Terap (1 participant). Most of the study participants operated food-based businesses at their homes. Some also had their workshops, traded at stalls within the market area, and engaged in lawn mower services. Information about the involved study participants is detailed in Table 3 below:

Table 3: Participants Profile

Participant	Gender	Age	District	Business Capital Assistance
P1	Male	30	Kota Setar	Coconut grinder
P2	Female	48	Kota Setar	Canopi, Rice cooker, 4 burner stove
P3	Female	55	Kota Setar	Electric oven
P4	Male	44	Kubang Pasu	MIG set, Air compressor
P5	Male	52	Pokok Sena	Mixer and Electric oven
P6	Female	37	Kota Setar	Mixer and Steamer
P7	Female	53	Kota Setar	Sewing machine
P8	Female	45	Kota Setar	Freezer
P9	Female	41	Padang Terap	Mixer and Electric oven
P10	Male	32	Kubang Pasu	Air compressor
P11	Female	57	Kubang Pasu	Chest freezer
P12	Female	53	Pokok Sena	Mixer
P13	Male	47	Kota Setar	Lawn mower

Note: P = Participant

4.2 Perception of Business Capital Aid Recipients Regarding the Basic Needs Element of Al-Daruriyyat

The objective of this study was to explore the perception of business capital aid recipients regarding the basic needs' element of *Al-Daruriyyat*, which are essential requirements in an individual's life.

The business capital aid provided was observed not to have an impact in terms of the quality and quantity of specific non-financial religious practices such as prayer. However, there was an increase in general religious practices involving wealth and the community, such as charity and zakat. This increase was notable when there was a slight improvement in wealth resulting from the conducted business. However, some participants expressed their gratitude by increasing their charitable acts and paying zakat, even if they had not completely exited the zakat recipient status.

For instance, after receiving aid, a participant expressed their good intentions:

"...the intention is to help. Even if it's a small amount, we still want to help. We still want to give zakat, no matter how" [P12].

Moreover, the received business capital aid was also seen to influence the recipients in terms of intentions and preparations towards larger religious activities such as Hajj and Umrah. For example, they now save for these religious activities from the proceeds of their businesses. One participant stated:

"I want to go for Umrah next year" [P3].

In summary, in terms of religion, this business capital aid was seen to have a positive influence on the aid recipients, especially in terms of relationships with people, as seen from the increase in charitable acts and zakat practices.

Business capital aid provided by the zakat office was seen to help recipients maintain their dignity and family lineage. This was demonstrated by their self-reliance and efforts in running their businesses. For business capital aid recipients, the businesses they operated not only helped their economic situation but also assisted their children in getting better education, leading to a more comfortable and independent life. For instance, P11 invited their family to run a pastry business together:

"Workers... we are three siblings. Then, there's a cousin's grandchild. Consider taking family, those close to us" [P11].

PK11 also aspired to pass down their business legacy to their children, indirectly providing social security for family members without resorting to asking for help from others:

"Later on, when I'm no longer around, I asked them to continue the business. Whatever I have, will give it to them and let them do it" [P11].

However, in terms of providing adequate education to the children, this aid has not proven to be entirely effective. Some recipients managed to send their children to private schools, while others could not afford to send their children to higher education institutions. This is seen as a constraint that hinders the efforts of aid recipients and their children to escape poverty when the potential of these children cannot be developed through proper education. The opportunity to advance oneself, contribute to society, and become a more respected individual is also hindered by the limitations in the education of these children:

"To continue studying is not possible. He got an offer from a polytechnic, but I don't have money to cover the expenses. His SPM results are good, but I can't afford it. If my husband works, it's okay, but now we can't" [P7].

In conclusion, business capital aid has the potential to help aid recipients maintain their lineage. However, this aid has not yet reached the level of effectiveness in terms of being able to lift zakat recipients and their families out of poverty when aid recipients still cannot provide better education to their children.

Furthermore, this business capital aid is seen to preserve the mental and intellectual aspects of the aid recipients. The study findings detail that the third principle of Maqasid Shariah (preserving the intellect) can be achieved through business capital aid. Participants showed interest in expanding their knowledge to improve the quality of their businesses. This is demonstrated by the study participants through the following excerpts:

"I love attending many courses to improve myself. I don't mind spending my own money to expand my knowledge on business, learning new recipes and marketing techniques " [P3].

"I learned marketing on Facebook, with WhatsApp statuses at the Community College" [P9].

"Yes, there's a lot of effort. I watch YouTube, and everything." "The other day, I joined a course at Tabung Haji, organised by zakat office" [P2].

Overall, the findings from the interviews show that zakat aid recipients can preserve their intellectual and the future of their descendants through this aid.

Additionally, the research findings indicate that most business capital aid recipients have a positive view of the aid in helping them maintain their souls. After receiving business capital aid, recipients feel more at ease, less stressed, more competitive to advance themselves and their businesses for their future and family. In other words, this business capital aid is seen to help preserve the lives of aid recipients and their families. This was expressed by one aid recipient:

"It feels like opening up our minds, you know. We feel happy moving forward. That's why we encourage our children to work so that they can earn money'" [P11].

Regarding preserving wealth, the business capital aid provided by LZNK was seen to help develop the wealth of zakat recipients. This can be seen when aid recipients are able to increase their wealth, purchase assets and hire

workers. This situation can create employment opportunities for the local community and help increase community income:

"They gave us that freezer, but I bought the stand mixer with my own money. This house, I built it with business income. We even hire our grandchildren as employees" [P11].

For some business capital aid recipients, the aid received had a significant impact on their financial situation. Some study participants reported an increase in income, up to three times more than before receiving the aid:

"Looks like income is increasing. Before, the income was around RM2,000. Now, the gross income is RM6,000. Sometimes it can be RM7,000" [P9].

However, not all business capital aid recipients succeeded in accumulating wealth with the received zakat aid. Business capital aid did not have a significant impact on income but only helped sustain the lives of the participants:

"I really have no savings at all. It's just like that. I get, and I spend just like that. Because everything I have to pay, with school fees and everything" [P12].

One of the reasons the business capital aid received could not increase the income of the study participants is due to the Covid-19 pandemic. The Movement Control Order (MCO) implemented had a negative impact on the income and business of aid recipients. Consequently, although income growth can be seen with aid received before MCO, it later declined when MCO was enforced. The impact of MCO was observed on aid recipients to the extent that some had to stop their business and did not use the provided assets.

4.3 Managerial Implication

The findings provide vital insights for LZNK to align its zakat distribution strategies with the five principles of *Maqasid Shariah* to meet recipients' needs comprehensively. These strategies can also significantly contribute to achieving the United Nations Sustainable Development Goals (SDG) 1 (No Poverty) and SDG 8 (Decent Work and Economic Growth).

To fulfill *Hifz al-Din* (Preserving Religion), LZNK should partner with scholars and Shariah experts to support religious projects like mosques, educational institutions, and the dissemination of religious knowledge, enhancing the community's spiritual foundation. Addressing *Hifz al-Nafs* (Preserving Life) involves focusing on healthcare services, safety campaigns, and emergency relief programs that contribute to reducing poverty and improving community health. These efforts directly support SDG 1, which emphasizes ending poverty and ensuring well-being for all.

For *Hifz al-Aql* (Preserving Intellect), LZNK should promote education, intellectual development, and mental health programs, fostering innovation and capacity building. These initiatives align with SDG 8, which highlights the importance of quality education and skill development for economic productivity. In fulfilling *Hifz al-Nasl* (Preserving Progeny), LZNK should support vulnerable families through educational assistance, family-strengthening programs, and skill development initiatives. By empowering families and improving opportunities for children, these efforts contribute to breaking intergenerational cycles of poverty, reinforcing both SDG 1 and SDG 8.

To achieve *Hifz al-Mal* (Preserving Wealth), LZNK can provide small business grants, debt relief programs, financial literacy training, and entrepreneurship education. These measures not only enhance self-sustainability among zakat recipients but also promote economic growth and productivity, thus supporting SDG 8 by fostering economic opportunities and decent work for all.

4.4 Recommendations

LZNK should establish robust monitoring systems to track recipients' progress and ensure that resources are effectively utilized. This comprehensive approach addresses poverty more systematically, advancing SDG 1's objectives. Continuous financial support paired with mentorship and phased assistance can help recipients move out of poverty and become contributors to economic growth, aligning with SDG 8.

Collaboration with diverse stakeholders—scholars, educational institutions, healthcare providers, and community leaders—can ensure zakat initiatives address recipients' multifaceted needs holistically. Public awareness

campaigns on zakat's broader objectives can foster empathy, shared responsibility, and support for community development efforts, contributing to the collective fight against poverty (SDG 1).

Enhancing zakat programs by incorporating education, skills training, and empowerment initiatives promotes economic self-reliance and aligns with both SDG 1 and SDG 8. Flexibility in assistance allows LZNK to address unique recipient circumstances, resulting in more effective outcomes. Transparency and inclusivity in zakat distribution, achieved through community engagement and clear communication, build trust while supporting sustainable poverty eradication and economic empowerment.

By linking zakat strategies with *Maqasid Shariah* and aligning them with SDG 1 and SDG 8, LZNK can contribute significantly to reducing poverty and promoting inclusive, sustainable economic growth, leading to a more resilient and prosperous community.

CONCLUSION

This study finds that the success of business capital assistance extends beyond merely increasing income; it must also address broader needs as defined by *Maqasid Shariah*. Effective capital assistance should fulfil all aspects of *Al-Daruriyat*, including preserving the sanctity of religion (*Hifz al-Din*), ensuring life's safety (*Hifz al-Nafs*), fostering intellectual growth (*Hifz al-Aql*), safeguarding personal dignity and lineage (*Hifz al-Nasl*), and securing wealth (*Hifz al-Mal*).

The findings emphasize that LZNK should move beyond providing capital support and focus on designing programs that holistically address these dimensions. Such programs should enhance recipients' faith and piety, improve their living standards, foster social connections, and provide training and motivation to instil confidence and self-sufficiency. These initiatives align with SDG 1 (No Poverty) by tackling multidimensional poverty and supporting SDG 8 (Decent Work and Economic Growth) through capacity building and fostering sustainable livelihoods.

By implementing transformative programs rooted in the principles of *Maqasid Shariah*, LZNK can help recipients not only uplift their quality of life but also transition into contributing members of society as zakat payers. This integrated approach has the potential to create a sustainable impact by eradicating poverty, promoting social equity, and driving economic growth in alignment with global development goals.

ACKNOWLEDGEMENT

We would like to thank Institute of Zakat Research and Innovation (IPIZ) and Lembaga Zakat Negeri Kedah (LZNK) for funding the research grant.

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