THE WAKALAH ZAKAT MODEL IN JOHOR: A CONCEPT PAPER TO STUDY A CRITICAL ANALYSIS WITH SELECTED STATES IN PENINSULA MALAYSIA

Nor Saidi Mohamed Nasir
Faculty of Business, Hospitality and Technology,
Universiti Islam Melaka

Ungku Abulkhair Ungku Mohd Zakaria
Majlis Agama Islam Negeri Johor
Pusat Islam Iskandar Johor,
Johor Bahru, Johor Darul Takzim

Zulkarnain Ya'Cob
Kolej Yayasan Pelajaran Johor
Kota Tinggi,
Johor Darul Ta'zim

Corresponding Author's Email: dr.norsaidi@unimel.edu.my

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ABSTRACT
This study critically analyzes the wakalah zakat model in Johor and compares it with selected states in Peninsular Malaysia. The research explores the wakalah (agency) approach to zakat management, focusing on how it enhances zakat collection and distribution. Utilizing qualitative method, the study examines the strengths and limitations of existing zakat management models, with the goal of proposing an improved model for Johor. Data from interviews, case studies, and zakat collection records are used to evaluate effectiveness. The findings offer recommendations for optimizing zakat management in Johor and enhancing the role of institutions in collecting and distributing zakat.

Keywords: Wakalah Zakat, Zakat Management, Johor.

1.0   INTRODUCTION

The wakalah zakat model, particularly its application in the state of Johor, Malaysia, is a subject of growing academic and institutional interest due to the increasing importance of zakat as a tool for wealth redistribution in Islamic societies (Hassan et al., 2021a; Ibrahim et al., 2016; Sharif et al., n.d.). This study critically analyzes the wakalah zakat system in Johor, comparing it with selected states in Peninsular Malaysia. It aims to develop an enhanced wakalah zakat model for Johor that maximizes zakat collection and ensures more efficient distribution to asnaf, the eligible zakat recipients.

Islam, as a comprehensive way of life, emphasizes the need for a just economic system. One of the key pillars that supports this system is zakat, which serves not only as an act of worship but also as a means to reduce economic disparity. Zakat has the dual function of purifying wealth and redistributing it to the underprivileged, helping to alleviate poverty and fostering social cohesion (Maazouz, 2020; Razak, 2020).

In Malaysia, the management of zakat collection and distribution falls under the jurisdiction of the Majlis Agama Islam Negeri (MAIN), or the State Islamic Religious Council. The wakalah model, where zakat collection is delegated to agents or institutions, has been adopted to improve efficiency (Razali et al., 2022a). However, the application of this model varies across states, leading to discrepancies in collection rates. In Johor, for example, zakat collection has been notably lower compared to states such as Selangor. This highlights the need for a more effective wakalah system tailored to Johor's unique socio-economic environment.

By analyzing the successes and challenges of the wakalah zakat models in other states, this research seeks to provide a practical framework for Johor to enhance its zakat management. The findings of this study are expected to offer valuable insights for zakat institutions and policymakers to improve zakat governance and, ultimately, contribute to the economic well-being of the Muslim community in Johor.

2.0   PROBLEM STATEMENT

Zakat, one of the pillars of Islam, serves a dual function: as an act of worship and as a mechanism for redistributing wealth to reduce economic inequality. Proper zakat management is crucial for ensuring that wealth reaches the asnaf (eligible zakat recipients), thereby addressing poverty and fostering social and economic justice. In Malaysia, zakat management is largely decentralized, with each state responsible for the collection and distribution of zakat through their respective Islamic religious councils (Majlis Agama Islam Negeri, MAIN) (Hassan et al., 2021b). The wakalah system, wherein zakat collection and distribution are delegated to appointed agents or institutions, has been implemented across many states to improve efficiency. However, the effectiveness of this system varies significantly between states, with some demonstrating much higher zakat collection rates than others.

In the state of Johor, zakat collection through the wakalah system has been notably less effective compared to states such as Selangor, which has consistently achieved higher collection rates. Between 2018 and 2022, Johor's zakat collection was approximately RM1.22 billion, far below Selangor's RM3.63 billion during the same period (Paizin, 2022). This significant discrepancy suggests the existence of underlying challenges in Johor's wakalah zakat model, such as inefficient processes, inadequate public awareness, or lack of collaboration with private entities. Given that zakat is a crucial instrument for achieving economic equity in Islam, the underperformance of Johor's zakat collection presents a serious issue that needs to be addressed.

Moreover, other states like Melaka and Negeri Sembilan have shown steady growth in their zakat collections, driven by innovative strategies in wakalah, including collaborations with financial institutions and private entities (Paizin, 2022). These successful models suggest that Johor's zakat management system may benefit from adopting similar practices. Therefore, it is crucial to investigate the specific factors hindering Johor's zakat collection and to explore how effective wakalah models from other states could be adapted to enhance Johor's zakat management.

This research aims to critically analyze Johor's wakalah zakat system, benchmark it against more successful implementations in other states, and propose a refined wakalah model that can optimize zakat collection and distribution in Johor. A more efficient model would not only improve the financial well-being of asnaf in Johor but also strengthen public trust in zakat institutions, ensuring that zakat fulfills its role as a pillar of Islamic economic justice.

Objectives
- To describe the concept of wakalah zakat and its management from an Islamic perspective.
- To analyze the wakalah zakat models implemented in selected states in Peninsular Malaysia.

3.0   LITERATURE REVIEW

The Concept of Wakalah in Islamic Jurisprudence

Wakalah, or agency, is a key concept in Islamic jurisprudence, allowing one party to delegate authority to another to act on their behalf in specific matters. The term wakalah is derived from the Arabic word "wakil," which means representative or agent. In the Islamic legal tradition, it is permissible for individuals to appoint agents to handle various legal, financial, and personal matters on their behalf, as long as such delegation does not violate Islamic principles (Munirah, 2018). Wakalah is particularly significant in financial transactions, such as zakat collection, where an agent (or institution) is authorized to collect and distribute zakat on behalf of the zakat payers (muzakki).

Historically, the concept of wakalah has been applied in various aspects of Islamic governance and financial management. During the time of the Prophet Muhammad (PBUH) and the early Islamic caliphates, agents were often appointed to collect zakat and other forms of alms from the community. The early Islamic state relied on this system to

ensure the fair and efficient distribution of wealth to the needy, thereby fulfilling one of the core objectives of zakat: reducing income inequality and alleviating poverty (Malik, 2016). This tradition of using agents for zakat management has continued into modern times, where Islamic institutions in many countries, including Malaysia, have adopted the wakalah system to manage zakat collection and distribution.

The Role of Zakat in Islamic Economic Justice

Zakat, one of the five pillars of Islam, serves as a key instrument for wealth redistribution and social justice in the Muslim community. It is a mandatory charitable contribution that eligible Muslims must pay, and it is collected to support specific groups of people, including the poor, the needy, and others as stipulated in the Qur'an (Awang et al., 2017). Zakat is both an act of worship and a tool for promoting economic justice, as it aims to reduce wealth inequality and promote a more equitable distribution of resources.

The significance of zakat in promoting economic development has been widely acknowledged in both classical and contemporary Islamic literature. For instance, (al-Qaraḍāwī, 1999) argues that zakat plays a vital role in addressing poverty, enhancing social solidarity, and fostering economic growth within the Muslim community. By collecting zakat and distributing it to the less fortunate, Islamic societies can reduce the wealth gap, which is a major cause of social unrest. Zakat also purifies the wealth of the payer and ensures that wealth circulates within the community, preventing it from being hoarded by a few (Arat, 2020).

Wakalah in Zakat Management in Malaysia

In Malaysia, zakat management is decentralized, with each state responsible for its own zakat collection and distribution. The state Islamic Religious Councils (Majlis Agama Islam Negeri, MAIN) oversee zakat institutions and appoint agents through the wakalah system to collect zakat on behalf of the council. This system allows for greater outreach and accessibility, as agents can be financial institutions, corporations, or other entities that work in collaboration with zakat bodies.

The wakalah model has proven effective in certain Malaysian states, particularly in Selangor, which is often cited as an exemplary case of efficient zakat management. According to (Paizin & Sarif, 2021), Selangor's zakat collection has consistently increased due to its innovative approaches to the wakalah system, including partnerships with banks, automation of zakat payments, and public awareness campaigns. These efforts have helped streamline the zakat collection process and increase the trust of zakat payers in the system, leading to higher compliance rates.

In contrast, states such as Johor have faced challenges in implementing an effective wakalah system. Johor's zakat collection has historically been lower than that of Selangor, despite both states having similar demographic and economic profiles. Between 2018 and 2022, Johor's zakat collection was RM1.22 billion, significantly lower than Selangor's RM3.63 billion during the same period (JAWHAR, 2019). The lower collection rates in Johor suggest potential inefficiencies in the management of zakat, as well as a need for enhanced public awareness and collaboration with the private sector.

Challenges in Zakat Collection and Distribution

Several factors influence the effectiveness of zakat collection and distribution in Malaysia. First, public awareness and trust in zakat institutions play a crucial role. Studies have shown that public perception of zakat institutions directly impacts compliance rates (Bin-Nashwan et al., 2021). If zakat payers believe that their contributions are being used effectively and transparently, they are more likely to fulfill their zakat obligations through formal channels. Conversely, a lack of trust in these institutions can lead to lower compliance and increased instances of individuals paying zakat directly to recipients, bypassing the official system.

Another critical factor is the efficiency of zakat institutions themselves. The operational capacity of these institutions, including their ability to manage and distribute zakat funds effectively, determines how well the wakalah model functions. In states where zakat institutions are well-managed, collection rates tend to be higher, and the distribution process is more efficient (Mukhlishin et al., 2024). Conversely, inefficiencies within zakat institutions, such as bureaucratic delays, mismanagement, or a lack of adequate human resources, can hamper the collection and distribution process, resulting in lower overall performance.

Collaboration with private entities, such as banks and corporations, also significantly impacts zakat collection rates. Selangor has been successful in this regard, leveraging partnerships with financial institutions to simplify zakat payments and increase accessibility for zakat payers (Azizah et al., 2023). These partnerships have not only made it easier for individuals to pay zakat but have also increased the overall volume of zakat collected. In contrast, Johor has been slower to adopt such collaborations, which may explain its lower collection rates.

Best Practices and Lessons from Other States

States like Selangor, Melaka, and Negeri Sembilan have shown consistent improvements in their zakat collection rates through the adoption of best practices in the wakalah model. These practices include the corporatization of zakat institutions, the use of digital platforms for zakat payments, and partnerships with private sector entities to enhance the efficiency of zakat collection and distribution (Razali et al., 2022b). For example, Melaka's zakat institution, Zakat Melaka (PZM), was corporatized in 2001, leading to improvements in its operational efficiency and a significant increase in zakat collection.

Another key factor contributing to the success of these states is the emphasis on public engagement and education. Public awareness campaigns, combined with the use of modern technology, have made it easier for zakat payers to understand their obligations and fulfill them conveniently. These states have also made efforts to enhance transparency by regularly publishing reports on zakat collection and distribution, which has helped build public trust in the system (Hadi et al., 2024).

The Need for a Refined Wakalah Zakat Model in Johor

Given Johor's relatively low zakat collection rates compared to other states, there is a pressing need for a refined wakalah zakat model that addresses the specific challenges

faced by the state. Lessons from successful states like Selangor and Melaka suggest that enhancing institutional efficiency, fostering collaboration with private entities, and increasing public awareness are key components of an effective zakat management system. By adopting these best practices, Johor's zakat institutions can improve both the collection and distribution of zakat, ensuring that the funds reach the intended recipients and fulfill their role in promoting economic justice.

This study aims to propose an optimized wakalah zakat model for Johor by analyzing the successes and challenges of other states' models. The proposed model will focus on improving institutional efficiency, fostering partnerships with private entities, and enhancing public engagement to maximize zakat collection and ensure effective distribution to the asnaf (zakat recipients). This research will contribute to the growing body of literature on zakat management and offer practical solutions for improving zakat governance in Johor.

4.0   METODOLOGY

This study employs a qualitative research approach to explore the effectiveness of the wakalah zakat model in Johor and selected states in Peninsular Malaysia. The research methodology is structured to gather in-depth insights into the implementation of the wakalah model by understanding the experiences, perceptions, and practices of key stakeholders involved in zakat collection and distribution.

Research Design:
The research uses a case study approach, focusing on Johor as the primary case, with comparative analyses of other states like Selangor, Melaka, and Negeri Sembilan. This design allows for a detailed exploration of each state's wakalah system.

Data Collection:
Data is collected through semi-structured interviews with key informants, including zakat administrators, religious leaders, and stakeholders from zakat institutions. Additionally, focus group discussions are conducted with zakat payers (muzakki) and recipients (asnaf) to understand their perspectives on the zakat system's efficiency. Document analysis of zakat reports, policies, and performance records from the different states is also conducted to provide a comprehensive understanding of how the wakalah model is applied.

Sampling:
Purposive sampling is employed to select participants who have significant roles or experience in the zakat management process. The study targets respondents from institutions such as the Majlis Agama Islam Negeri Johor (MAINJ) and other zakat bodies in Malaysia.

Data Analysis:
Data is analyzed using thematic analysis, which involves identifying recurring themes and patterns related to the challenges and successes of the wakalah model. The analysis will

also focus on factors that influence zakat collection rates and the effectiveness of collaboration between zakat institutions and external entities.

This methodology is designed to provide a holistic understanding of the wakalah zakat model, its challenges and opportunities for optimization in Johor.

5.0 RESULTS AND DISCUSSION

Upon conducting the research on the wakalah zakat model in Johor and selected states in Peninsular Malaysia, several key results are anticipated. First, it is expected that the study will reveal significant differences in the effectiveness of zakat collection and distribution between Johor and other states like Selangor, Melaka, and Negeri Sembilan. These differences may arise due to the varying implementation strategies of the wakalah system, institutional efficiency, and the level of collaboration between zakat institutions and private entities.

One of the expected findings is that states with a more structured and corporatized approach to zakat management, such as Selangor, will demonstrate higher zakat collection rates and more efficient distribution to the asnaf (zakat recipients). This is likely due to the presence of strong partnerships with financial institutions and corporations, as well as the use of modern technology to facilitate zakat payments. In contrast, Johor may reveal inefficiencies in its wakalah system, particularly in areas such as institutional coordination, public awareness, and collaboration with external partners.

Another anticipated result from semi-structured interview is that the research will identify key factors influencing the effectiveness of the wakalah model. These factors could include institutional leadership, public trust in zakat institutions, the use of digital platforms for zakat collection, and the involvement of private entities in the collection and distribution process. The study is expected to highlight the importance of public awareness campaigns and educational programs in increasing compliance with zakat obligations. The focus group discussions with muzakki (zakat payers) and asnaf may reveal perceptions of transparency and fairness in the zakat system, which can significantly impact the effectiveness of the wakalah model.

In terms of policy recommendations, it is expected that the study will suggest the adoption of best practices from successful states like Selangor and Melaka to improve zakat collection and distribution in Johor. This could involve streamlining administrative processes within the Majlis Agama Islam Negeri Johor (MAINJ), enhancing collaboration with banks and corporations, and leveraging technology to make zakat payments more accessible and efficient. Additionally, the research may emphasize the need for more robust public engagement initiatives to build trust in zakat institutions and encourage higher compliance rates among zakat payers.

6.0   CONCLUSION

The expected results of this research are likely to provide valuable insights into the strengths and weaknesses of the current wakalah zakat model in Johor. By comparing Johor's system with those of other successful states, the study is anticipated to offer practical solutions for optimizing zakat collection and distribution. For example, states that have incorporated technological advancements, such as automated zakat payment systems, could serve as models for Johor to improve its outreach and collection efficiency.

The findings are also expected to emphasize the role of institutional leadership and public-private partnerships in enhancing zakat management. Collaboration with private entities, such as banks and financial institutions, has proven effective in other states and may be a critical area of improvement for Johor. Furthermore, the study may highlight the importance of transparency and accountability in building public trust, which is essential for maximizing zakat compliance.

In summary, the research is expected to offer a comprehensive analysis of the factors contributing to the success or failure of the wakalah zakat model in Johor and other states, providing actionable recommendations for improving zakat governance in Johor. These findings could serve as a foundation for future reforms aimed at strengthening the zakat system and ensuring that it fulfills its role in promoting economic equity and social justice.

AUTHOR CONTRIBUTIONS

Nasir, N. S. M.: Validation and Writing-Reviewing; Zakaria, U. A. U. M.: Conceptualization, Writing-Original Draft and Software.; Ya'Cob, Z.: Methodology, Preparation and Editing.

CONFLICT OF INTEREST

The manuscript has not been published elsewhere and is not under consideration by other journals. All authors have approved the review, agree with its submission and declare no conflict of interest on the manuscript.

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