



Zakat on Wealth and Asset: Lessons for SDGs

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INTRODUCTION

Zakat is one of the five pillars of Islam levied on Muslims with wealth in excess of their needs to be transferred to the eight categories of beneficiaries specified in the Quran [9:60]. Zakat is a compulsory religious duty collected from all Muslims who are free and have the right to their wealth, sane and possess the Nisab (Basri and Khali 2014). Nisab is the fixed amount of property upon which Zakat becomes due. Zakat is divided into two: Zakat al-Fitr, which is paid during the month of Ramadan, and Zakat on the property that is paid on the various kinds of Zakatable assets. The property should be possessed and fully owned, generates income, a

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growing property, attains nisab, free from debt and fulfilled the one year condition (Al-Qardawi 1999; Hasan 2016).

Zakat is a very important institution for the spiritual and material development of the majority of Muslims. Spiritually [Surah Al-Tawbah, 9:103], Zakat helps the Muslims purify their soul from greed and excessive love for wealth. Materially, Muslims have benefitted from Zakat for enhancing their social and economic development. Zakat revenue can be transferred from one city or country to another whenever the need of that city or country transferring Zakat revenue are fulfilled. In countries such as Yemen, Saudi Arabia, and Sudan, their governments assume the responsibility of collecting and distributing of Zakat while in the cases of countries like Egypt, Tunisia, Lebanon, and Morocco, Zakat is managed by charitable organizations and the payment is made voluntary and in some countries, Zakat is given directly to the respective groups (Owoyemi 2020). The growth of Zakat collection has been growing over the years and shows impact on the society. For example, the most populous majority Muslim country like Indonesia has recorded a high growth of Zakat collections and distributions in 2018. Figure 19.1 shows Zakat

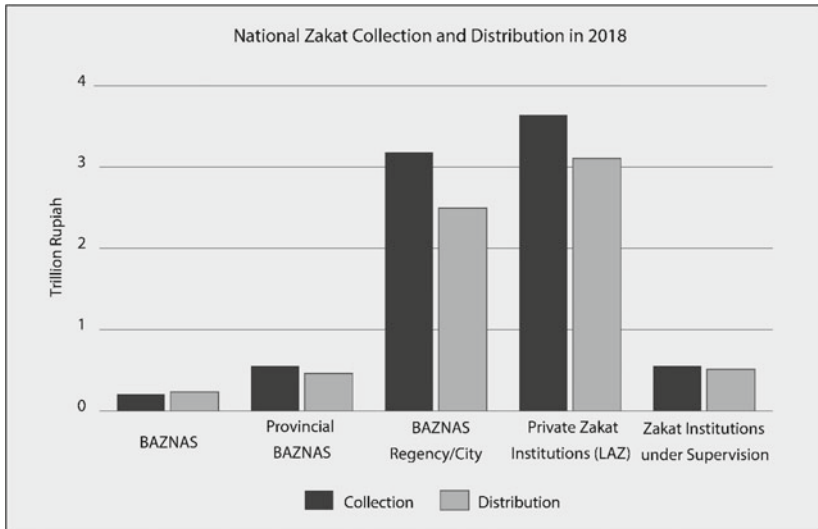


Fig. 19.1 Zakat collection and distribution in Indonesia in 2018 (Source BAZNAS [2020])

collection and distribution in Indonesia for the year 2018. The total collection reached 8.11 trillion Rupiah compared to 6.22 trillion Rupiah (BAZNAS 2019, 2020).

Zakat has played significant role throughout Islamic history toward the socioeconomic development of Muslim societies. The salient roles of Zakat included, among others, poverty alleviation, hunger relief, debt relief, job creation for Zakat managers, education, income and wealth redistribution, and of recent, financial assistance to refugees in a UNHCR Zakat program launched in late 2016 (Kidwai and Zidani 2020). These Zakat contributions have much relevance to the recently mooted United Nations' Sustainable Development Goals (SDGs). Areas of commonality between Zakat and SDGs include poverty, hunger, global health and well-being, quality education, decent work, economic growth, and income inequality (Ismail and Shaikh 2017a).

There is increasing interest among researchers on studies relating Zakat to SDGs. Most of these studies have focused on how Zakat funds can be used to finance SDGs-related projects. Yet there is hardly any works that has tried to examine the extent to which the dimensions of SDGs are relevant to the dimensions of Zakat, whose objectives preceded SDGs and seems to embody wider dimensions of objectives or goals than SDGs.

OVERVIEW ON THE ROLE OF ZAKAT TOWARD SOCIOECONOMIC DEVELOPMENT

This section discusses the concept of Zakat, and the role of Zakat toward socioeconomic, moral, spiritual, and religious development.

Concept of Zakat

The word “Zakat” is a derivative word from Arabic which literally means increase and growth. The origin of the word means purity, growth, blessing, and praise (Al-Qardawi 1999). The word also means purification, blessing, and commendation (The Zakat Foundation of America 2017). Technically it refers to the determined share of wealth prescribed by God and shared to the groups that deserve it (Al-Qardawi 1999). Zakat wasn't a new thing during the Prophet (Pbuh) period. The evidence of how Zakat was imposed during the preceding Prophet era is shown in various verses in the Quran. Surah Mariam (19:54–55) performs Ismael's Zakat, Surah Al-Baqarah (2:83) reveals Zakat of the Jews, Surah

Al-Anbiyaa (21:73) reveals Zakat in Surah Maryam (19:30–31) to the descendants of Prophet Ishaq and Zakat of Prophet Isa.

During the time of Prophet (Pbuh) at Makkah, the payment of Sadaqat was left to the people to decide how much to pay. Surah Al-Ma'arij (70:24–25) recommends “*And those within whose wealth is a known right. And those within whose wealth is a known right.*” Zakat became mandatory after the Prophet (Pbuh) arrived in Madinah during the eighteen months, the second year of Hijrah. The Prophet (Pbuh) appointed workers to collect and distribute Zakat. The Quran did not give the direct definition for the property which is subjected to Zakat other than the general definition in some verses. Surah Al-Taubah (9:34), the silver and gold Zakat. Zakat Surah al-An'aam (6:141) and trade won Zakat Surah al-Baqarah (2:267).

The existence of Zakat is the same as the prayer because both complete the five pillars of Islam. Comparing to Salaat which is the form of worship in which is performed by the body, Zakat is also the form of worship which involves wealth and the form of performing the worship is monetary. Zakat's first objective is to purify (Surah Al-Taubah 9:103) means that Zakat cleans the wealth and sin as the prayer doing. Another reason is to resolve the inequality of society. The basis of payment and distribution is based on wealth than the income.

A Muslim with sanity and age of majority (Puberty) and nisab is obliged to pay Zakat (The Zakat Foundation of America 2017). The property that entitled to the payment of Zakat should be the one which generates income and the property which are growing. The property owned for personal consumption like house and car is not subjected to Zakat. Also, the property should be possessed and fully owned by the person, property for rent is not included (Hasan 2016). This shows that Zakat is the tax of excessive wealth (Ismail and Shaikh 2017a). The percentage rate of the amount of Zakat to be paid is prescribed as 2.5% of the wealth from the capital income (Hasan 2016). For the crops, 10% for the crop grown from the rainfall and 5% grown from irrigation while for the found treasure is 20% (Al-Qardawi 1999).

Zakat is payable upon the passage of lunar year for capital income. The jurists have different opinions about the time of nisab for Zakat. According to Shafii and Hanbal school, they opine that nisab should be present in a constant amount during the year. According to Hanafi school, the nisab should be present at the beginning and the end of the year. Maliki school opine that the nisab should be determined at the end of

the year (Haneef 2008). The property which subjected to Zakat payment should be fully owned and should be under the person responsible for Zakat. This condition is not including the asset owned but does not generate income as well as an asset with divided ownership (Al-Qardawi 1999). Zakat expenditures are given to the different groups including poor and needy, employers in the collection of Zakat, and those whose reconciled to the truth. Also, Zakat is given to freeing slaves, for those owed while trying to fulfill their basic needs, those fighting for religion, and the traveler who cannot arrive at their destination without help (Surah Al-Taubah 9:60).

Non-Muslims are not entitled to Zakat, but if non-Muslims pay Zakat, they will be paid for his purpose (Surah Al-Tawbah 9:97–98). There are three reasons why disbeliever is exempted for paying Zakat. The first reason is Zakat is a social duty to the needy and destitute. This is the payment of tax in finance, which God obliges to distribute to the poor in the right of fraternity, the right of society, and the right of God. The second reason is that Zakat is the type of worship which constitutes the affirmation of Islam's confidence in the inclusion of other Islamic pillars. The third reason is part of Zakat proceeds are used in Islam to raise the spirit of Islam and reconciliation hearts with Islam (Al-Qardawi 1999).

The Socioeconomic and Religious Role of Zakat Toward Development

In economic terms, Zakat aims to achieving positive effects on consumption, savings and investment, labor supply and capital, poverty alleviation, and economic growth (Wahab and Rahman 2011). Zakat is a fair way to redistribute wealth because it is taken from the excessive wealth and not the actual income like government tax. It provides social security by solving the problem of society to raise and refine social welfare. It presents social responsibility and saves the Muslim from misfortune and it generates self-spiritual reformative system (Hasan 2016). These objectives and benefits encompass all aspect of human beings such as religion, life, oneself, intellect, and wealth.

Zakat increases the consumption of the basic goods and changes the consumption from luxury goods to the staple goods that are necessary for both the rich and the poor (Suprayitno 2019). Zakat funds play an essential role in economic development like eradication of poverty, illiteracy, diseases, and epidemics. Many countries try to alleviate poverty by applying different conventional policies such as price policies, income and

wage policies, labor market and production policies and other policy packages such as structural and stabilization policies to alleviate poverty and achieve income equality (Abdelbaki 2013). The policies are different and not universal to apply to all problems. Zakat becomes the way out toward poverty alleviation without causing any extra problem. Zakat is efficient in eradicating poverty in Muslim communities and helps in achieving just distribution of income and wealth (Abdelbaki 2013).

Zakat shows the potential impact on individual sectors. The different impact is shown according to the priority. The countries like Sudan where the government enforces the payment of Zakat bring a significant impact in financing social protection like education health and poverty alleviation (Machado et al. 2018). Another study of Triyowati et al. (2018), in the comparison between Zakat, Infaq, and Sadaaq, found that Zakat has a great impact than other funds. Zakat showed a benefit to social development as well as benefits on the economy. In Bangka, Belitung Zakat contributes to per capita income and resolving the problem of unemployment (Fitriyanti et al. 2019). Overall the main aspect of development like economic growth, consumption, and investment cannot deny the contribution of Zakat (Suprayitno 2019). To solve the problem of hunger, Zakat is used for establishing food banks. The model of food banking enables the asnaf to access enough food in Malaysia (Zainal et al. 2019). In the study of Machado et al. (2018) in social protection between Sudan, Palestine, and Jordan, Zakat provides food, education services, and helping the poor to access health services, although the effective collection system was recommended to improve the amount of fund and reach many people in need. In the city of Jambi, Indonesia, Zakat management to support education plays a vital role in helping the poor household to access education (Ibrahim 2015). According to Hassan and Khan (2007) in their study of Zakat, external debt and poverty reduction strategy in Bangladesh, they found that Zakat is efficient when it is included in the government budget and used to finance projects which is related to the production activities such as agriculture and those related to the physical infrastructure such as rural road, electricity irrigation and embankment.

The funds mobilized from the collection of Zakat are not only subject to consumption. It is recommended to invest some of the funds so that it enhances economic growth. There are many areas in which Zakat fund can be used for investment. Atah et al. (2018) suggest that modern communication in the form of an e-community-based manifesto for

information on the investment of Zakat fund in Mudarabah form. The Malaysian model of Zakat is found to be good in managing fiscal policy and macroeconomic determinants. Countries are encouraged to adopt this model because of its great impact on short and long-run (Suprayitno et al. 2017; Suprayitno 2019). In Indonesia, they establish SMEs for the mustahik (recipients) for the investment of Zakat fund with the view of helping those SMEs to grow bigger and contribute to the development and make them muzak (Zakat donors) (Harahap 2018). The same study was conducted by Meerangani (2019) on the role of Zakat in human development in Malaysia. The study shows how Zakat is practiced. The Islamic Religious Council that is responsible for managing Zakat fund provides a different project that empowers the society to engage in their own business. The project like entrepreneurship courses, catering, and sewing was provided. Gafoordeen et al. (2016) added that for the investment of Zakat fund, the investors should consider Shari'ah compliance toward investment and ensure that the investment is conducted in a halal way.

THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

The Sustainable Development Goals (SDGs) developed by the U.N. Development Program (UNDP) focused on stimulating world growth. The 17 goals are set in 2016 with the target to achieve up to 2030. These goals are established with the statement *“the needs of the present without compromising the ability of future generations to meet their own needs.”* The SDGs are proposals to create a more prosperous and safer future for everyone against the world's global challenges including inequality, poverty, climate change, environmental problems, peace, and justice. The objectives address the four key areas of the world, namely people, prosperity, the planet and peace and justice.

People

This focuses on the causes of poverty in many countries that make people fail to access the basic need for daily life. Removing poverty of all forms, promoting agriculture for nutrients and food security, promoting well-being and ensure healthy living by accessing health services and education for both boys and girls and clean water and sanitation. Goal 1: No Poverty, Goal 2: Zero Hunger, Goal 3: Good Health and Well-being,

Goal 4: Quality Education, Goal 5: Gender Equality, and Goal 6: Clean Water and Sanitation.

Prosperity

Investment in business and industries needs a conducive environment to support economic growth. Availability of electricity and water which is still a problem in many countries in Africa will foster investment in the new industrial sector and innovation. This will provide jobs and reduce income inequality, production and consumption will be enhanced. Goal 7: Affordable and Clean Energy, Goal 8: Decent Work and Economic Growth, Goal 9: Industry, Innovation, and Infrastructure, Goal 10: Reduced Inequality, Goal 11: Sustainable Cities and Communities, and Goal 12: Responsible Consumption and Production.

Planet

The planet is the dwelling place for all living organisms, and thus for their survival it is important to preserve the ecosystem for the survival of these organisms. Destruction of the environment endangers life on the planet. Goal 13: Climate Action, Goal 14: Life Below Water, and Goal 15: Life on Land.

Peace and Partnerships

Walking together is the key to success. To achieve the goals, nation and international cooperation are encouraged. Harmonization of international organizations such as the World Trade Organization (WTO) and the World Customs Organization (WCO) is recommended Goal 16: Peace and Justice Strong Institutions and Goal 17: Partnerships to Achieve the Goal.

The objectives set are intended to be funded in various ways by taking into account the respective country's economic condition through the use of domestic public resources, domestic and foreign private sector and finance, international development cooperation, international trade as a growth driver and debt sustainability (UN 2020).

DEVELOPING ZAKAT-SDGS FRAMEWORK

Zakat and SDGs have significant relevance in the development of the community. Zakat has socioeconomic, religious, moral, and spiritual dimensions, among others, for the development of Muslim societies. On the other hand, SDGs embodies only three dimensions: economic, social, and environment. Hence, SDGs can be used as references to measure the results of certain objectives of Zakat (Nurzaman and Kurniaeny 2019). Handi Khalifah et al. (2017) tried to measure the Grand Programs of BAZNAS on 17 Goals of SDGs. They found that apart from the collaboration of all that programs, Zakat outweighs other variables. Zakat ensures the growth of economic in society and distributive justice of wealth. Another study was conducted by Asmalia et al. (2018) by employing the Theory of Planned Behavior to investigate how the population perceive the contribution of Zakat to SDGs. The findings show that the majority of the population believe that Zakat can finance SGDs and they focused mostly on poverty reduction, education, and improving the health sector. The mass collection and distribution would help to achieve the goals at the highest level (Noor 2017). With regard to SDGs, Zakat plays important role in goals like poverty, hunger, global health and well-being, quality education, decent work, economic growth, and income inequality (Ismail and Shaikh 2017a). On the other hand, Ismail and Shaikh (2017b) in their study on how Zakat can meet the development challenges. They suggest that since the objectives of SDGs are limited in time, then it is important that all necessary efforts involving different institution should be taken to make the largest dive onward.

Based on the findings from the literature reviewed above, the researchers have limited the scope of the performance of Zakat. They have not explored the other benefits available in Zakat. They measured the role of Zakat in one perspective only, as a financing instrument because SDGs need the money. The analysis of SDGs and Zakat shows only the success of SDGs but the success of Zakat is not fully examined. The researchers have not addressed the broad benefit of Zakat in financing beyond the SDGs, given that the dimensions of Zakat are broader than the dimensions of SDGs. This present chapter analyzes the extent to which SDGs can adequately measure the roles of Zakat and the reforms that SDGs need to undertake to do justice in measuring the performances of Islamic social finance institutions such as Zakat. To do this, the chapter has developed a Zakat-SDGs framework.

On the other hand, there are researchers who have examined Zakat from the SDGs perspective. It is a common knowledge that the 17 SDGs is a global agenda with a motto of to “leave no one behind”. To achieve this, it is necessary to reduce inequalities, end poverty, and fully incorporate social goals, environmental goals, and sustainable economy. These goals are not far from the objectives of Zakat. The first goal is no poverty. Comparing to Zakat, it relates to the rich people paying their due and distributing it to the poor and needy (Suprayitno 2019). The second goal is no hunger. The greater part of Muslims in Asia and Africa suffer from the problem of hunger. Zakat plays a very important role in solving the problem of hunger (Ismail and Shaikh 2017a). Another goal is good health and well-being. When health is improved then life will be saved. Education quality is another goal, for the improvement of intellect and innovation, education is very important. Up to 2012, about 78% of children entered school but many children from poor households are still not in school (UNDP 2020). To ensure equality in education, work distribution, and ownership of property, UNDP sets gender equality as another goal to ensure the balance of productivity in different sectors (Banham and Anhern 2016). Reduced inequalities are the goal established to reduce the income inequality between those who have and those who have not. This is because currently the wealth is owned by a small number of people. Zakat can encourage the consumption of basic goods and reduce luxury goods, and this will help the distribution of income to the poor (Suprayitno 2019). Conflict is the problem that hinders development in addition to corrupt institutions in many countries especially in Africa and the Far East. UNDP sets peace, justice, and strong institutions’ goal to ensure peace and the strength of countries toward development. These goals can be achieved through Zakat, which under the guiding principles of Shari’ah would require commitment and sincerity as the way forward (Anonymous 2019). The framework with SDGs dimensions is not enough to utilize all the benefits of Zakat, while the framework with Zakat dimensions can be used to go beyond the objectives of SDGs. Figure 19.2 shows Zakat-SDGs framework based on their dimensions.

From the Fig. 19.2, the dimensions of Zakat are 6, all inside the red box. The three dimensions that are specific to Zakat [Religious, Spiritual, and Moral] plus the other three dimensions that are shared with SDGs, namely economic goals, social goals, and environmental goals. The subsequent section provides the analysis of the Zakat and SDGs dimensions embodied in the framework. Figure 19.2 compares between

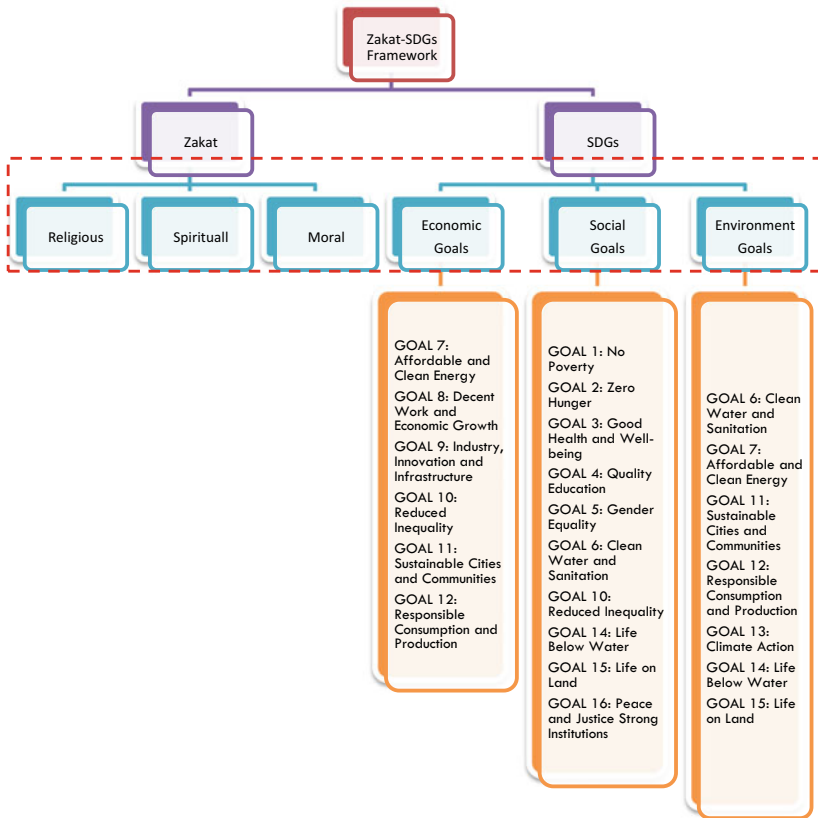


Fig. 19.2 Zakat-SDGs framework based on their dimensions

Zakat dimensions and SGDs dimensions with 17 SGDs. Zakat with 6 dimensions embodies all the 3 dimensions of SGDs which is social, economic, and environment goals. The social goals/dimension comprise the following goals: 1, 2, 3, 4, 5, 6, 10, 14, 15, and 16 which are related to no poverty, zero hunger, good health and well being, quality education gender equality, clean water and sanitation reduced inequality, life below water, life on the land and peace and justice strong institutions. Economic goals consist of the following goals: 7, 8, 9, 10, 11, and 12 goals, which are related to affordable and clean energy, decent work

and economic growth, industry innovation and infrastructure, reducing inequality, sustainable cities and communities and responsible consumption and production. The last dimension of environment embodies the following goals: 6, 7, 11, 12, 14, and 15 which is concerned in clean water and sanitation, affordable and clean energy, sustainable cities and communities, responsible consumption and productions, climate action, life below the water and life on the land. The 17 goals [Partnerships to achieve the Goal] are established to focus on how those other goals are achieved.

ANALYSIS OF THE ZAKAT-SDGs FRAMEWORK

From the literature study, there is evidence that the dimensions and some objectives of SDGs are related to the dimensions and objectives of Zakat, yet the dimensions and objectives of Zakat are beyond the dimensions of SDGs as shown in Fig. 19.2. Zakat has six dimensions namely religious, spiritual, moral, social, economic, and environment. SDGs have three dimensions, namely social, economic, and environment. The objective of Zakat includes the three objectives of SDGs while SDGs do not have the other three dimensions of Zakat.

Dimensions of SDGs Related to Zakat

Zakat and SDGs share three dimensions, which are social, economic, and environment. The social dimension in Islam has an impact on both the collection and distribution of Zakat fund. The poor and the needy is the first group of Zakat recipients. Distribution of Zakat increases the consumption of the basic goods and will change the consumption from luxury goods to the staple goods that are necessary for both the rich and the poor (Suprayitno 2019) hence helping in reducing poverty. Through Zakat the community enhances their generosity by thinking not only of self-interest but also the interests of other. Some of the values embedded in this social dimensions that are achieved include Sincerity of Faith in the calculation and provision of one's wealth, Social Harmony and Justice by avoiding the accumulation of wealth in few hands, Social Security by providing solution to the monetary problem of the society and Circulation of Wealth (Abdullah and Suhaib 2011). To ensure the social development, the UN establishes goals which emphasize the improvement of the societies. These goals include alleviation of poverty and zero

hunger which is a great problem to those with low income. Clean water and sanitation, good health and well-being goals are also established to ensure that people have safe and healthy access to their needs. Other goals are quality education and gender equality established to ensure access to quality education for both boys and girl. Also, the goals aimed at reduced inequality among society in accessing social services by empowering them with the means of earning income which will be used to pay for different services. Human life depends much on the ecosystem and peace. To ensure the human life is not ruined they establish life on land, life below the water and peace and justice strong institutions goals. All these goals are related to the objectives of Zakat toward society.

The economic dimension of Zakat embodies the overall Islamic economic. It includes the behavior of a man in the economic activities, his likes and dislikes, and how it is impacted by the economy which starts from the scarcity of accessing resources (Rosly 2005). The choice of action depends on disposable income available. The choice of consumption of the people with high income is different from the choice of people with low income. The circulation of wealth is important for economic transfers from the rich to the poor. Zakat plays the role of countering inflation and deflations problem because it prevents the accumulation of wealth among few people (Ridwan et al. 2019). Zakat aims at achieving the positive effects on consumption, savings and investment, labor supply and capital, poverty alleviation, and economic growth (Wahab and Rahman 2011). Zakat has an impact on consumptions and productions. The producers who produce goods or services are required to pay Zakat only when they reach the nisab. This leaves the producers with enough resources to continue with their products and those who do not reach the nisab will not be obliged to pay Zakat. In the collection of Zakat, it employs those responsible for collection whether the task is institutionalized to the charitable organization or by the government. Islam encourages reforming the individuals who constitute part of the community. The UN goals in economics are related to these goals of zakat. For example, the goal related to the establishment of affordable and clean energy which aims at providing energy for industries and different production activities. Similarly, the goals related to decent work and economic growth focus on providing job opportunity coupled with reduced inequality goal to enable people to generate income and wealth circulation. These goals are established to improve not only the individual economic level but the development of the whole cities, countries, and

the world. They establish goals related to infrastructure, innovation on the industries which will be used to add value to the products, sustainable cities and communities and responsible consumption and production goals which is directly related to the economic activities.

The environmental dimension focuses on climate changes and the balance of the ecosystem. The productions and consumptions contribute largely to environmental degradations. Human activities like farming, industrial and constructions activities are accompanied with digging the ground, cutting down trees and impurities to the water bodies and air. The distribution of Zakat provides the proper ways of human activities. For example, the distribution of Zakat will enable the people to access affordable energy and reduce the use of firewood and charcoal. The UN also focuses on the objectives by establishing goals relating to the environment which is clean water and sanitation, affordable and clean energy, sustainable cities and communities, responsible consumption and production, climate action, life below water and life on land. These seven goals ensure access to energy which is affordable for home consumption and industrial activities. Water and sanitation are important to the environment and help in preventing disease. Minimal production and consumption also will help to reduce the environmental impacts by not touching the unnecessary resources thereby reducing pollution. This will enable the protection of living organism on the land and under the water.

Dimensions of Zakat Not Included in SDGs

Religion is an important dimension of humanity which includes all information and system of life like reducing human neglect and criminal activities (Freeman 1986). In Islam, religion means in Arabic word means voluntary submission to God (Lewis and Churchill 2009). Religion in Islam is established based on five pillars which require the Muslims to live by the guideline from God and His Messenger. The five pillars include Zakat as the third pillar which is important in ensuring the strength and essence of the religion. Besides the other pillars, Zakat plays wealth-related role for human development.

The spiritual dimension is related to oneself belief or faith to Allah and religion. This belief acts based on perceptions about the purpose of this worldly life, and their ultimate destination after death (Farooqi 2017). Also, the belief is based on six pillars which are **Belief in Allah, the only**

God, Belief in Angels, Belief in the Holy Quran, Belief in Prophets of Allah, Belief in the Judgement Day and Belief in God's predestination (Qada and Qadar). Also, Surah An-Nisa' (4:136) provides that "O you who believe, Believe in Allah and His Messenger, and the Book which He revealed upon His Messenger and the Book which He revealed before. And whoever disbelieves in Allah and His Angels, and His Books, and His Messengers and the Day the Last, then surely he (has) lost (the) way, straying far away." The ability of someone to declare his true wealth and sacrificing a portion of one's wealth to solve the problems of brothers and sisters is a sign of spiritual belief. This creates stronger community bonds, removes hardships, and promotes brotherhood and compassion in the community (Farooqi 2017).

Morality is another important dimension in Zakat. The poor and illiterate society is sometimes forced by circumstance to compromise their moral value. Such circumstance can be adverse in extreme cases. So they are bound not to sustain their morality. The moral values inculcate mutual respect, cooperation, and sympathy among the members of society. Such noble traditions and great human standards are more often compromised due to the extreme situations of the poor and illiterate people (Abdullah and Suhaib 2011). Zakat contributes to the poor in alleviating poverty and enhance education which helps to increase the morality of such under privilege members of the community (Machado et al. 2018).

CONCLUSION AND THE WAY FORWARD

The objectives of this chapter are primarily to analyze the role of Zakat and its dimensions in relation to the dimensions and objectives of SDGs. Zakat has six dimensions while SDGS have three dimensions. The dimensions and objectives of Zakat encompass all the important spheres and needs of the human life, religious needs, spiritual needs, moral needs, social needs, economic needs, and environmental needs. The dimensions of SDGs are limited only to the social, economical, and environmental needs. This shows that the dimensions of Zakat are beyond SDGs. Therefore, Zakat is capable of fulfilling the SDGs goals, and beyond in terms of fulfilling the inner spiritual and moral needs of the society. The novelty of this chapter lies in proposing a framework for analyzing the roles of Zakat in relation to the SDGs. Future studies could expand the study by enriching the model, identifying detail variables, targets and indicators for

robust analysis. Findings from such studies could provide recommendations to UNDP to benefit from the additional four dimensions of Zakat in formulating future goals related to Islamic social finance.

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