THE EFFECTS OF POVERTY EVALUATED BASED ON THE INTEGRATION OF HUMAN NEEDS AS STIPULATED IN *MAQASID AL-SYARIAH* AND MASLOW'S HIERARCHY OF NEEDS ON *ZAKAT* DISTRIBUTION EFFICIENCY



ACCOUNTING RESEARCH INSTITUTE (ARI) - HIC₀E UNIVERSITI TEKNOLOGI MARA 40450 SHAH ALAM, SELANGOR MALAYSIA

BY:

MAHERAN BINTI ZAKARIA SURYANI AWANG NIK KAMARUZAMAN HAJI NIK ABDULATIFF NOR HAYATI SAMBA MOHAMED

APRIL 2014

RESEARCHER

SIGNATURE

MAHERAN BINTI ZAKARIA

Malmangaham_

.

SURYANI AWANG

NIK KAMARUZAMAN HAJI NIK ABDULATIFF

NOR HAYATI SAMBA MOHAMED

.

TABLE OF CONTENTS

i i ki
1
1
1
5
6
6
7
7

CHAPTER TWO

2.1 Introduction
2.2 The Efficiency of Zakat Distribution
2.3 Maqasid al-Syariah10
2.3.1 Religion
2.3.2 Physical Life
2.2.3 Knowledge12
2.3.4 Family
2.3.5 Wealth
2.4 Maslow's Hierarchy of Needs.122.4.1 Physiology.13
2.4.2 Safety
2.4.3 Social
2.4.4 Self-Esteem
2.4.5 Self-Actualization
2.5 The Integration of Five Elements of Human Needs as Stipulated in <i>Maqasid al-Syariah</i> and Maslow's Hierarchy of Needs
2.5.1 Religion and Self-Actualization (R & A)
vii

2.5.2 Physical (Life) and Safety (P & S)	15
2.5.3 Knowledge and Social (K & S)	15
2.5.4 Family and Self-Esteem (F & E)	15
2.5.5 Wealth and Physiology (W & P)	15
2.6 Studies of Poverty on the Efficiency of Zakat Distribution	16
2.6.1 Proposed Model	18
2.7 Conclusion	18

CHAPTER THREE	. 19
Methodology	. 19
3.1 Introduction	. 19
3.2 Methodological Overview.3.3 Quantitative Approach	
3.3.1 Survey-Based Research	22
3.4 Scale Development	22
3.5 Questionnaire	23
3.5.1.Pre-Test	24
3.6 Final Survey	24
3.6.1 Questionnaire and Sample	24
3.6.2 Measurements	25
3.6.3 Final Survey Procedures	26
3.7 Data Analysis Method	26
3.7.1 Preliminary Data Analysis	26
3.7.2. Structural Equation Modeling (SEM)	27
3.7.2.1 Two-Stage Structural Equation Modeling	28
3.7.2.2 Path Diagram	29
3.7.2.3 Evaluating the Fit of the Model	30
3.8 Reliability and Validity	31
3.8.1Reliability	31
3.8.2 Validity	32
3.8.2.1 Content Validity	32
3.8.2.2 Construct Validity	32
3.8.2.3 Criterion Validity	33

CHAPTER ONE

1.0 Executive Summary

The objective of this study is to investigate the effects of poverty evaluated based on the integration of human needs as stipulated in the perspective of *Maqasid al-Syariah* and Maslow's Hierarchy of Needs on *zakat* distribution efficiency. Approximately 450 sets of questionnaire were personally sent to *zakat* recipients of two programs conducted by Majlis Agama Islam Kelantan (MAIK) namely business assistance and living skill course. From this amount, 420 people responded, amounting to 93.33 % response rate. Data were analyzed using Social Science Statistical Package (SSPS) 20 and Analysis of Moment Structure (AMOS) 20. From the findings, it can be concluded that poverty evaluated based on the integration of human needs as stipulated in the perspective of *Maqasid al-Syariah* and Maslow's Hierarchy of Needs positively affects the efficiency of *zakat* distribution. Hence, the study provides an insight to *zakat* institutions, policy makers and the public of the importance of these multi-dimensional factors in evaluating poverty in relation to the efficiency of *zakat* distribution.

1.1 Introduction

This chapter provides an introduction to the scope of this research. It is divided into several sections. The first section is an introduction followed by the second section which discusses issues related to the research background. The third section specifies the research problem and identifies the research question, formulated to achieve the objective of this research, while section four describes the significance of this study. Finally, the overall structure of research content is outlined in the fifth section.

1.2 Research Background

Zakat or realms is one of the five pillars of Islam and zakat payment becomes the religious duty of all practicing Muslims who possess surplus wealth and earnings. The general principle of zakat distribution is laid down clearly in the Quran as underlined in Surah Al-Tawbah verse 60 which states: "Alms are for the poor and the needy, and those employed to administer the (funds) for those whose hearts have been (recently) reconciled (to Truth) for those in bondage and in debt in the cause of