

DEVELOPMENT PROGRAM OF RURAL ASNAF ENTREPRENEURS IN LEDANG NATIONAL PARK, JOHOR

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Abstract	<p><i>Entrepreneurial activities are one of the pillars that drive the local community's economic development. Zakat institutions provide asnaf entrepreneurship funds through the distribution of productive zakat assistance, allowing asnaf entrepreneurs to run their businesses independently and break the cycle of poverty, whether in urban or rural areas. However, according to the Rural Development Policy Plan 2019, rural or rural communities face a number of challenges, including a less dynamic rural economy, inefficient resource use, and high poverty rates. As a result, the purpose of this study is to identify the form of government planning in developing rural asnaf entrepreneurs, as well as to analyze the determinants of rural asnaf entrepreneurs' success. Thus, semi-structured focus group interviews are used in this study to collect data using qualitative methods. The collected data was then analyzed inductively and deductively. According to the findings of the study, the development program for rural asnaf entrepreneurs is still not receiving adequate attention. At the end of this study, we will make some suggestions for improvement in order to develop rural asnaf entrepreneurs in accordance with the government's policy.</i></p> <p>Keywords: <i>Asnaf, Entrepreneurship, Rural, Economic, Zakat.</i></p>
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INTRODUCTION

Since the country's inception until today, the government's primary goal has been the abolition of poverty. The New Economic Policy (NEP) is one of the pioneers in ensuring the government's strategy for eradicating poverty in the country, and there are numerous other policies in place today, particularly to assist the B40 group in living an orderly and comfortable life through entrepreneurial activities (Abai et al., 2020).

Zakat institutions, as policy supporters and implementers, also play a role in preserving and strengthening the Malaysian Muslim economy. Zakat assistance is provided in the form of regular or productive monthly business capital assistance or equipment to enable asnaf zakat to remain independent and out of the cocoon of poverty. However, productive zakat has a longer-term impact on improving the lives of the asnaf (Meerangi & Azman, 2019).

Entrepreneurship zakat is an initiative to empower and provide competitiveness among asnaf to venture into business and entrepreneurship in accordance with Islamic encouragement and current community trends. This is due to the perception that business and entrepreneurship provide income and lucrative profits while also serving as the primary medium of change in the social structure of society in order to reduce national poverty (Ayob et al., 2017).

Asnaf entrepreneurs are also among those who work to ensure economic stability for themselves and their families in order to lift them out of poverty by maximizing the assistance provided through productive zakat. Furthermore, entrepreneurial activities can create job opportunities in the local community (Ab Ghani & Sarif, 2005), as well as the fair and equitable redistribution of wealth (Nor Aini Ali, Nor 'Azzah Kamri, & Suhaili Sarif, 2003), in addition to developing an ecosystem a sustainable and sustainable economy based on the development of financial flows in society. As a result, quality entrepreneurship should help to transform society into a better, more competitive economy and society. As a result, it plays an important role in global socioeconomic development, including in Malaysia, a developing country.

Despite numerous studies on the effectiveness of entrepreneurial zakat to asnaf entrepreneurs, it is still unable to achieve the goal of fully productive zakat assistance that breaks the cycle of poverty due to constraints and challenges in realizing and sustaining asnaf entrepreneurs' development goals, particularly in rural areas (Ali et al. al., 2015). Thus, the purpose of this study was to identify the type of zakat asnaf entrepreneurship development program that has been implemented by the Johor Islamic Religious Council (MAIJ) and to investigate the factors contributing to the success of the asnaf entrepreneurship program through interviews with MAIJ representatives and asnaf entrepreneurs directly involved with programs implemented.

LITERATURE REVIEW

Around the year 2000, local researchers began to pay attention to and focus on asnaf entrepreneurship studies, with a particular emphasis on developing poor and needy asnaf entrepreneurs. Preliminary studies begin by focusing on the factors that are critical to the development and success of an entrepreneur in order to create more successful entrepreneurs (Mohamad, 2000 & Yusof, 2000).

As a result, many studies have been conducted on asnaf entrepreneurs and their development in entrepreneurship through zakat funds. Each state zakat institution has implemented a variety of initiatives to help asnaf entrepreneurs improve their business capabilities and skills. Financial assistance, course preparation, training, and workshops are examples of these (Izatul & Muhammad, 2017; Abai et al., 2020). Furthermore, the zakat mobilizes monitoring activities to track the progress of their business.

According to Azman et al. (2016), a monitoring process is required to identify the flaws in this program's non-results. Equipment and working capital are also provided to asnaf entrepreneurs as a catalyst of enthusiasm and support for business activities such as sewing machines, food processing machines, and others as needed, whether the assistance is granted directly or through micro-financing at no additional cost (Abai et al., 2020; Sanep Ahmad, 2009).

The efforts made by the zakat institution in optimizing the collection and distribution of zakat and further empowering the asnaf through entrepreneurial zakat assistance is an action that should be welcomed by the asnaf, especially in improving and changing the standard of living. However, looking at and refining the studies that have been done, the focus of research is on developing asnaf entrepreneurs in urban areas compared to rural areas.

Studies on the effectiveness of asnaf entrepreneur development are seen to be more concentrated in areas such as Selangor and the Federal Territory (Abai et al., 2020; Adnan & Roselam, 2019; Meerangani & Azman, 2019), which is undeniably due to the increase in the urban poor with the cost of living, which is higher in addition to the areas that are the center of economic generation of the country. However, the focus and development of rural asnaf entrepreneurs must also be taken into account to be balanced, especially in the socio-economic aspects and the country's subsequent economic viability and sustainability.

The emphasis on rural development is consistent with the Rural Development Policy (DPLB), which has the slogan "Prosperous, Inclusive, Sustainable, and Holistic

Rural," with one of the ten (10) core visions being "Entrepreneurship Drives Economic Development" (DPLB, 2019). As a result, zakat is one of the primary motivators for implementing this policy by producing asnaf entrepreneurs. This also demonstrates the wisdom behind the provision of zakat, management that can improve society's moral and material position. It is also a security pillar in the Islamic economic system (Ab Rahman et al., 2014).

However, rural communities face some challenges, according to the DPLB, including a less dynamic rural economy, inefficient resource use, and high poverty rates. As a result, the research movement began to focus on rural studies, such as the SDG Triangle 2019 Sustainable research fund, which focuses on four (4) corners of the country, namely Ledang National Park (Johor), Kuala Tahan National Park (Pahang), Tuba Island (Langkawi), and Taman Negara Royal Belum (Perak), to achieve sustainable development goals and support the DPLB. This study, on the other hand, focuses on the structure of the asnaf entrepreneurship development program and the factors that contribute to the success of asnaf entrepreneurs in Ledang National Park (Johor).

RESEARCH METHODOLOGY

This qualitative study employs library and field research methods to conduct interviews with the study's target population, namely officers at the Johor Islamic Religious Council, Tangkak District, and several asnaf entrepreneurs. Library research is the most effective method for obtaining highlights of thematic literature from various books, journal articles, papers, and so on. The collected data was then analyzed deductively by looking at the development program to asnaf entrepreneurs provided by MAIJ and inductively by looking at the results of interviews to identify factors that determine the success of the asnaf entrepreneurs' development program in Ledang National Park, Tangkak.

Data Collection

The data for this study was gathered through library research. This method was used to collect data by conducting a study on records and written documents. Reading materials about zakat, past studies, and reports from zakat institutions are among the materials or documents and records mentioned. This qualitative research method also investigates scholarly research on the role, scheme, and form of zakat assistance provided to the asnaf by the baitulmal institution under the Johor Islamic Religious Council (MAIJ).

Interview Method

The interview method was then used in this study to collect primary data. The interviews were semi-structured and conducted using the focus group interview technique. For the interview, a group of respondents with predetermined criteria was chosen, and critical questions were prepared. Based on the respondents' answers and responses, follow-up questions were posed. For this purpose, five (5) zakat asnaf entrepreneurs from the Ledang district were interviewed.

As a result of the Tangkak District MAIJ Officer's assistance, this respondent was successfully interviewed. Three successful, moderate, and failed zakat asnaf entrepreneurs were chosen from among the respondents. This is intended to learn in depth about their enterprise's factors and barriers. In addition, interviews with Tangkak District MAIJ officers were conducted to obtain additional data. Following that, thematic content analysis methods were used to analyze the study data.

Documentation Method

Analytical studies of printed materials such as journals, books, articles, proceedings, newspapers, and so on are used in documentation methods. This method is used to obtain a more detailed picture of the study that will be conducted. Researchers consult books and journals, as well as mass media sources such as the official website of MAIJ, newspapers, and others, to obtain secondary data on the development of zakat asnaf

entrepreneurs. Finally, the data results are analyzed to ensure that the objectives are met.

Data Analysis

In order to assess the quality and validity of the data, researchers typically use qualitative descriptive analysis. However, inductive methods must be used to assess the quality and validity of this data. This method is a method for analyzing data generated by existing theories and thoughts in order to draw specific conclusions.

FINDINGS

Development of Asnaf Zakat Entrepreneurship in Johor

Rural asnaf entrepreneurs will be generated by a well-organized integrated development program. Authorities, particularly the State Religious Council, must play an important role in stimulating development and growth through effective entrepreneurial development strategies. Zakat instruments should be used as efficiently as possible because a successful program will improve the asnaf's living standards and serve as a catalyst for local economic and social growth. To date, Izatul and Muhammad (2017) discovered that each Malaysian state's zakat center had provided initiatives and strategies through a variety of programs and courses aimed at developing and improving asnaf capabilities in venturing into entrepreneurship.

The Johor State Islamic Religious Council (MAIJ), like other state religious councils, empowers asnaf through entrepreneurship programs managed by the Asnaf Development Unit (UPA). The UPA was founded in 2008 with the goal of ensuring that asnaf's socioeconomic level can be upgraded to a better life and then identifying the potential of productive asnaf to make them an entrepreneur who can leave the group of asnaf.

Table 1 shows that from the inception of self-help in 2013 to 2020, there have been a large number of recipients of assistance, with 1217 people receiving assistance across all states in Johor.

Table 1: Number of Independent Assistance Recipients from 2013-2020 in MAIJ

<i>States/Year</i>	2013	2014	2015	2016	2017	2018	2019	2020
<i>Johor Bharu</i>	6	32	22	40	33	13	10	15
<i>Muar</i>	20	24	18	44	8	8	25	20
<i>Batu Pahat</i>	33	45	31	71	43	34	8	18
<i>Segamat</i>	5	3	15	10	4	3	0	1
<i>Kluang</i>	5	21	17	16	8	6	2	1
<i>Pontian</i>	2	3	19	7	26	2	0	0
<i>Kota Tinggi</i>	8	12	18	15	2	7	9	11
<i>Mersing</i>	10	20	31	34	30	13	14	12
<i>Kulai</i>	0	6	16	19	10	5	3	6
<i>Tangkak</i>	10	20	18	35	12	10	4	0
Total	99	186	205	291	176	101	75	84

Source: Asnaf Development Unit, MAIJ (2021)

Asnaf entrepreneurship is a priority area and focus of UPA-MAIJ in empowering asnaf entrepreneurs through five (5) major scopes, namely (i) self-help, (ii) courses and training, (iii) monitoring, (iv) segregation, and (v) outside cooperation. The primary goal of mobilizing assistance to potential and productive asnaf is to provide funds through business capital assistance or equipment assistance. This self-help assistance provides two types of assistance, namely business capital assistance provided by MAIJ at a maximum of RM3000 and equipment assistance at a maximum of RM5000. There are currently five Zakat assistance programs in Johor: Asnaf Zakat Skill Center, Tunas Asnaf, Jana Asnaf Niaga, Jana Asnaf Chef, and Jana Asnaf Menjahit (sewing).

Development of Asnaf Entrepreneurs in Ledang National Park

A well-planned integrated development program can result in the birth of rural asnaf entrepreneurs. To that end, authorities, particularly the State Islamic Religious Council, must play a critical role in stimulating development and growth through effective entrepreneurship development strategies. Furthermore, the zakat instrument should be used to its full potential because if the program is successful, it will not only have an impact on improving the living standards of the asnaf involved, but it will also be a catalyst for local economic development and social status through job creation.

MAIJ continues to take proactive measures by providing critical assistance to asnaf with entrepreneurship aspirations. Table 2 summarizes the zakat assistance provided to qualified asnaf in 2020 and 2021 (until March):

Table 2: Types and Number of Zakat Assistance Recipients from 2020-March 2021 in Ledang National Park

<i>Zakat Assistance / Year</i>	<i>2020</i>	<i>2021 (until March)</i>
<i>Sewing</i>	5	1
<i>Capital</i>	0	1
<i>Cuisine</i>	2	1
<i>Vehicle</i>	2	0
<i>Machine equipment</i>	11	0
<i>Grand Total</i>	20	3

Source: Asnaf Development Unit, MAIJ (2021)

During that period, the assistance received was in the form of sewing tools, cooking, vehicles, and machine tools. In the Ledang National Park area, every asnaf who receives zakat assistance will be monitored periodically by MAIJ officers.

As a result of the monitoring of asnaf entrepreneurs in Tangkak District in 2020-2021 by Johor Islamic Religious Council, Tangkak, 2 asnaf entrepreneurs (namely as respondent 1 and 2) were listed to be nominated as 'Ikon Asnaf Berdikari MAIJ 2021'. Respondent 1 (R1) is an asnaf entrepreneur who runs kerepek bawang business. She is the recipient of a flour kneading machine and heavy-duty blender worth RM4900 in February 2019. Until March 2021, she has been able to achieve a gross monthly income of up to RM102,000 with a total of 30-40 employees.

According to R1:

"Through the help of zakat, we have been able to expand our business and expand the market to the states of Pahang, Johor, Terengganu and others. Although, we did not do much promotion for that."

However, according to R1, its business capability has been at its maximum level where it is no longer able to meet the excessive demand. The processing factory located in rural area have done much to strengthen the local socio-economic value by creating more employment opportunities for local youths and teenagers.

Respondent 2 (R2) is a restaurant business owner who serves eel soup. At the initial stage, MAIJ has injected a capital of RM3000. Until now, she managed to generate a monthly income of up to RM8000.

According to R2:

"With the capital assistance from the zakat center, I opened this business ... The problem that often arises is to get the main raw material, which is eels."

From the interviews conducted, this study found that the potential of asnaf entrepreneurs can be improved by an integrated and comprehensive asnaf entrepreneur development programs. Aspects of self-development, marketing and business management should also be included as elements in related programs.

Even though the efforts of the entrepreneurs are the source of success, they must be supported by a strong social support system. The availability of community resources, particularly start-up capital, is critical for the development of high-growth entrepreneurs. Asnaf will face challenges in the early stages of starting a business, such as a lack of funds and resources, inspiration, business experience, and management skills (Isma Addni, 2007).

According to a study conducted by Muhammad and Zurinah (2021), entrepreneurial success can be identified when entrepreneurs have an optimal level of planning. As a result, they will be able to see and think about their world more quickly and efficiently, allowing them to channel their high potential to achieve their goals. As a result, it is the authorities' responsibility to develop a comprehensive development program to encourage and promote rural asnaf entrepreneurs.

Determinants of Asnaf Entrepreneurial Success

There are numerous factors that influence the success of asnaf entrepreneurs. Among them, the assistance of the second generation of children is extremely important in determining an asnaf. The age of highly educated children is advantageous to the asnaf, particularly in digital business. The marketing challenges that asnaf entrepreneurs face can be overcome with the help of family members, particularly among the younger generation with IT skills. Furthermore, the allocation of zakat from MAIN is not the only source of funding or business capital among asnaf. They will also require assistance and capital from other organizations that provide business capital, such as courses and training.

According to R1:

"I've heard discussions about how we should prioritize business. So that's when I started thinking about and reviewing which products can be durable and consistent. Then there was an explosion of onion chips. So I pound discussed this idea with my other friends. But they are all unwilling to follow and believe in my vision. I continued on, and it just so happened that my son had just graduated from university at the time. He was the one who worked hard to ask for assistance and who attended classes to learn the business."

Other organizations that can assist include TEKUN Nasional, which is part of the Ministry of Entrepreneur Development and Cooperatives. The TEMAN TEKUN Product and Tekun Niaga Financing Scheme offers first-time financing from RM1,000 to RM5,000 in groups, while the Small Financing Scheme offers RM10,000 to RM50,000. In contrast, the Medium Financing Scheme (SPS) is available for RM50,000 to RM100,000 loans (website of TEKUN).

The funds made available to asnaf entrepreneurs are only intended to serve as seed capital for small businesses. Additional funds are required to expand the existing business. The success of the asnaf is not solely dependent on the source of zakat. MAIJ only provides capital assistance for the purchase of equipment such as sewing machines, cake making machines, and so on. A RM3000 capital fund cannot afford to develop the business unless the asnaf work to raise additional funds. An asnaf's success in the business not only lifts them out of poverty, but also helps the local community increase its income.

According to R3:

"I consider my store's capacity in relation to the number of customers. Not nearly enough. So, a friend informed me at the time that MAIJ provided zakat assistance to entrepreneurs. I applied, and thank God, I received RM3,000 in capital assistance to help me expand my business. Following that, I requested TEKUN RM10,000 in government assistance."

Asnaf entrepreneurs are also influenced by business experience factors. The failure of an asnaf in business is due to their lack of experience in the business world. Lack of self-confidence and a failure to strive to improve one's self-skills through courses and training provided by the MAIJ and other parties. They have also been in a comfort zone with

financial assistance from others, particularly family members, making it difficult for them to transition from a comfort zone to a more difficult area.

According to R2:

“Every month, I receive RM300 in assistance from the Social Welfare Department (JKM). I'm exchanging these pounds for entertainment. This is how I'd like to live. My family is advantageous.”

A healthy body is one of the necessary conditions for a person's eligibility to receive business capital assistance. As a result, Asnaf with health issues are only eligible for monthly zakat assistance.

According to R5:

“In addition, I have asthma, which makes it difficult for me to work. When my asthma attacks, I have to rest for almost a day, and if it is severe, it can last up to 2-3 days.”

There are even asnaf who are not interested in the business world, but are involved in business to try and fill their free time. They lack the mission and vision of broadening the business world and conforming to what is accepted. The asnaf's lack of motivation and high self-confidence makes it difficult for them to build networks and business networks that will help them market their respective products. Asnaf requires strategic partners to expand their business, which can be accomplished through associations or local communities.

According to R4:

“Alhamdulillah, the public order is sufficient this year to force the hand to accept the order. The booking closed a month before the pound fast, and the booking was doubled.”

CONCLUSION AND RECOMMENDATION

It is critical to develop entrepreneurs among asnaf in order to maximize their potential and self-development. Zakat institutions have been proactive in fostering entrepreneurship in the Muslim community, particularly in rural areas. An initiative that can mobilize the asnaf is to provide capital in the form of money and assistance in business tools.

However, some aspects of zakat distribution must be improved in order to increase its effectiveness. Before they are assisted in the form of business capital, specific instruments to assess the qualifications of the asnaf are required. For the distribution of capital assistance, zakat institutions must implement a formal screening mechanism. This mechanism prevents the asnaf from manipulating aid and capital expenditure methods in a less prudent manner, resulting in the true purpose of financing not being met. It causes the zakat institution's mission and vision to fall short of the intended goal of developing asnaf entrepreneurs. Furthermore, it can help zakat institutions reduce errors in the selection of applicants when determining the eligibility of recipients of zakat capital assistance. The majority of MAIJs only have broad screening guidelines.

As a result, MAIJ must develop a mechanism or instrument to ensure that the selected asnaf are qualified and competent. Asnaf with a strong interest in business, as well as the experience and support of family members, including children of the second generation, are among the determining factors in an asnaf's success.

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