

Can Zakat Realize the Sustainable Development Goals (SDGs)?

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Abstract

The Sustainable Development Goals (SDGs) are a global agenda that aims to ensure that everyone benefits from sustainable development based on human rights that lead to social, economic and environmental development. It coincides with the Islamic requirements prescribed to meet the basic needs and interests of mankind as a whole. In line with that goal, this study is to see whether zakat can realize the achievement of the SDGs. This study uses a qualitative approach by using documentation and observation methods where various sources are studied to see the role and ability of zakat in realizing the goals of the SDGs. The findings found that zakat is one of the most important tools in achieving the goals of the SDGs and the researcher suggested that this study be used as a guide not only to the government, but also the next researcher in achieving the objectives and goals more effectively towards the SDGs.

Keywords: *ability, realization, sustainable development goals (SDGs), tools, zakat*

1. Introduction

The reality of the world today is witnessing many global phenomena and issues that need to be resolved globally and wisely. Among them are poverty, economic imbalance, education, basic needs, well-being of human life and so on. This all has always been the focus either in Malaysia or worldwide. Various efforts and approaches have been made by the authorities and NGOs in finding solutions to these national and global issues.

The uniqueness of Islamic law compared to man-made rules or laws is that it can meet all the basic needs and interests of mankind as a whole. The proof is that the provision of zakat is not just an obligation that must be fulfilled by Muslims, but its wisdom and goodness are enjoyed by all parties whether givers and recipients of zakat or society in general. In fact, it is one of the effective wealth distribution mechanisms to overcome the problem of economic inequality and create a harmonious society. Zakat as a form of social security for the poor and needy, developing balanced economic growth through the redistribution of wealth in society and also as a form

of purification and spiritual development (Pathmawati, 2008).

In addition to the mechanism of socio-economic justice, zakat is also a basic Islamic fiscal instrument in helping the economy of Muslims for the well-being of life (Patmawati, 2008). If zakat is collected in large quantities, then it is more powerful in influencing social life, welfare and economic development to replace the established role of government (Eko et al., 2017).

The introduction of the Sustainable Development Goals (SDGs) agreed upon by 193 UN members on 25 September 2015 provided a boost to the country, including Malaysia, to achieve them in various aspects and sectors. The SDGs are a global agenda to be achieved in 2030 with 17 goals and 169 targets (UNDP, 2019). This program is based on the principle of "No One Left Behind" with the aim of ensuring that everyone benefits from sustainable development based on human rights that lead to social, economic and environmental development.

In addition, it also aims to secure future generations so that they are able to get all the basic necessities needed. It includes people, planet, prosperity,

peace, and strategic partner, which is expected to put an end to the problems currently being experienced by the developing countries. Thus, there are 17 goals have been set as targets that need to be achieved by 2030 as in Table 1.

Table 1: Sustainable Development Goals	
No	Goals
1	No Poverty
2	Zero Hunger
3	Good Health and Well-being
4	Quality Education
5	Gender Equality
6	Clean Water and Sanitation
7	Affordable and Clean Energy
8	Decent Work and Economic Growth
9	Industry, Innovation and Infrastructure
10	Reducing Inequality
11	Sustainable Cities and Communities
12	Responsible Consumption and Production
13	Climate Action
14	Life Below Water
15	Life on Land
16	Peace, Justice, and Strong Institutions
17	Partnerships for the Goals
Source: UNDP (2019)	

Based on those goals, this article will discuss how zakat can be used as a tool to realize several sustainable development goals (SDGs). Of the 17 goals of the SDGs outlined, zakat can serve to help achieve a number of goals related to poverty, hunger, global health and well-being, quality education, decent work and economic development as well as income inequality (Hafizah et al., 2019; Salman & Abdul Ghafar 2017).

2. Literature Review

This study looks at two perceptions between the role of Islamic finance and zakat as a tool to realize the Sustainable Development Goals (SDGs) as the literature.

Islamic Finance Functions and SDGs

Eman Hashem (2019); Abdul Ghafar and Salman (2017), Islamic finance has outstanding potential in promoting financial stability, financial inclusion and mutual prosperity as well as infrastructure development, which will create an environment that enables the timely implementation of Sustainable Development Goals (SDGs).

Whereas, Usman et al. (2016), Islamic microfinance is considered as an important tool to overcome the shortcomings and weaknesses of the poor. In addition, this form of investment also plays an important role in facing the financial gap to achieve the SDGs (Abdulrahman & Dalal, 2020).

Khazzam (2015), argues that Islamic finance is through sukuk funds, i.e. Green Projects such as clean energy, mass transit, water conservation, forestry and low carbon technologies. This Green funding initiative also includes social responsibility investments designed to improve the lives of citizens and communities. It is also designed to encourage

investors to transfer capital into companies with high standards of governance for diversity, accountability and transparency.

Meanwhile, according to Mohieldin, M; Iqbal, Z; Rostom, A; Fu, X (2012), the main principles of Islam financed by Islamic finance are based on social justice and capital sharing. It provides a viable alternative to conventional finance through specialized instruments of wealth distribution among the community (zakat, sadaqah, waqf and qard al-hassan), especially the poor to eradicate poverty as well as build a healthy and vibrant economy.

A study conducted by Muhamad Abduh (2019), he uses an Islamic social finance approach covering sadaqah, waqf and zakat, all three of which play an important role in achieving the second goal of the SDGs, namely ending hunger, achieving food security and improving nutrition as well as promoting sustainable agriculture by looking at three achievements in the short, medium and long term.

Then, Ibarahim & Umar (2016) look at the role of Islamic finance in achieving the Sustainable Development Goals (SDGs) in Nigeria. The study revealed that Islamic Finance such as sadaqah, zakat, waqf and other financing instruments such as sukuk, musharakah, murabahah and so on will have a positive impact on the economic sector and ultimately lead to the realization of the SDGs.

Ahmet (2018) also showed the Islamic finance, i.e. zakat can address the 11 goals of the SDGs by leveraging resource -driven products. It should be transferred directly for the benefit of the poor to achieve the goals of the SDGs, rather than zakat because it is usually suitable for use during rare emergencies.

3. Function of Zakat and SDGs

A study by Salman & Abdul Ghafar (2017); Hafizah et al. (2019), found that 7 of the 17 goals of the SDGs can be achieved with the role of zakat, namely poverty, hunger, global health and well-being, quality education, decent employment, economic growth and income inequality in Muslim majority countries. All these goals guarantee that everyone benefits from the aspects of social, economic and environmental development.

According to Eko (2017) and Umami et al. (2018) the role of zakat as a fiscal policy in ensuring human development towards excellence and improvement of the asnaf in the future. In addition, a study by Ahmad Nazrul & Wan Norhaniza (2019), explains assistance to the people not only from the financial aspect, but also refers to other assistance such as housing, education and health to achieve the Sustainable Development Goals (SDGs). Azman Ab Rahman et al, (2019), focused on the distribution of zakat to *muallaf* in terms of the Maqasid Shariah approach and SDGs in two states, namely Selangor and Negeri Sembilan.

Umami Ibrahim et al. (2018) proposed the use of modern communication in e-community based platforms to ensure effective use of zakat funds by

recipients and wider zakat coverage to some poor people in Northern Nigeria. This approach is also found to be useful in increasing financial inclusion and diversification of zakat collection sources.

Meanwhile, Akmal et al. (2020), looked at the contribution of zakat in improving human development in Indonesia. Studies have found that human development increases after receiving zakat assistance. Similarly, a study by Yasir, Fadillah Mansor, and Luqman (2020) an effective zakat system either from the zakat payer and the role by the government is an important factor in reducing poverty and further achieving the Sustainable Development Goals (SDGs).

4. Methodology

This study is qualitative by using the method of document analysis through library research as the main source. The information referred to is in secondary form consisting of scholarly articles, journals, reports and information on websites related to zakat instruments in achieving the Sustainable Development Goals (SDGs). Next, the data obtained was analyzed conceptually by using inductive methods to meet the objectives of the study.

Findings

Zakat and SDGs have the same purpose, which is to eradicate poverty and hunger. There are three main dimensions of the Sustainable Development Goals (SDGs) introduced, namely to safeguard the importance of human rights covering social, economic, and environmental aspects. Among the role and ability of zakat as a tool to realize the Sustainable Development Goals (SDGs) in Malaysia:

Ending Poverty

Zakat as outlined in the Quran plays a role in eradicating poverty and hunger for Muslims. It is also found in one of the 17 SDGs. The issue of poverty is a global issue in society in Malaysia as well as the world and the biggest challenge faced in human development. Based on SDG 1, it aims to solve the problem of poverty even though the global poverty rate has dropped by half from a large value since 2000. However, the fact is that one in ten people living in developing areas are still living with an income of US \$ 1.90 a day (Nurul Aliah et al., 2019). Therefore, to achieve the goals of the SDGs in 2030, various initiatives have been undertaken to address the issue of poverty which is considered negative by society. Among the assistance provided such as financial assistance on a monthly and annual basis, senior citizens and poor orphans, etc. (Selangor Zakat Board, 2020). With these aids, it is hoped that the community, especially the asnaf, can develop themselves and subsequently be able to get out of the cocoon of poverty.

Zero Hunger

Among the key goals in the Sustainable Development Goals (SDGs) is zero hunger (SDG 2),

which is one in nine people in the world today, i.e., about 815 million people face it (United Nations Development Program, 2019). To overcome this problem, adequate basic food assistance to the asnaf has been carried out. Several initiatives such as the distribution of adequate supplies to asnaf were also given. Among them is introducing Food Bank and food coupon scheme to asnaf as introduced by Kedah State Zakat Board (LZNK) (Hafizah et al., 2019). Referring to the distribution of zakat by the Selangor Zakat Board (LZS), a total of RM364,826,450 million for the period from January to June 2019 which was distributed to eight groups of asnaf specified in the Quran (Selangor Zakat Board, 2019). Similarly, in a situation where the country is experiencing the COVID-19 problem, LZS has distributed a total of RM232.2 million to asnaf (LZS, 2020). Every distribution scheme provided to the asnaf, zakat plays an important role in ensuring that their needs are met and indirectly the goals of the SDGs can be achieved by 2030.

Healthy and Prosperous Life

SDG 3 emphasizes healthy living and promote good welfare. Although the world's child mortality rate has decreased compared to 1990, but more than 5 million children die before reaching the age of 5 each year. Maternal mortality has also declined by 37% since 2000 and the target is to be less than 70 maternal deaths per 100,000 births by 2030 (UNDP, 2019).

Citizen assistance mechanisms in developed and developing countries have their own goals and objectives. Among them is to ensure that the lives of the asnaf can live in a healthy and prosperous condition. For example, the government provides free treatment assistance at selected clinics and public clinics. Apart from that, treatment centers or mobile clinics are also provided to make it easier for the public to get free and easy treatment in rural areas. Therefore, with this assistance, the lives of the community, especially the asnaf can be improved and in turn ensure their health in the future (LZS, 2020).

5. Quality Education

Quality education is SDG 4 to be achieved. Every individual has the right to a quality education and it is fundamental to creating sustainable development. Statistics show more than 265 million students drop out of school and 22% of that number drop out during primary school age. Children who go to school do not have the literacy and numeracy skills. This stifles the economic growth and innovation of a country (UNDP, 2019). Therefore, various initiatives have been carried out such as establishing zakat schools such as *Pondok Moden Zakat Kedah* in the state of Kedah (Nazrul Alif Yahya & Norhaniza Wan Hasan, 2019). Similarly, more than RM76.1 million has been allocated for educational assistance (LZS, 2020). Non-financial assistance is also provided to

support their lives in acquiring knowledge. Accordingly, only with education can they defend their lives in producing individuals who are knowledgeable and have noble morals in the future.

Career and Economic Development

In SDG 8, about half of the world's population still lives on the equivalent of about US \$ 2 a day with a global unemployment rate of 5.7%. This slow and uneven progress requires rethinking, and the restoration of economic and social policies aimed at eradicating poverty (UNDP, 2019). Various zakat distribution schemes provided by the State Islamic Religious Council (MAIN) and the Zakat Center to help the asnaf (Ab Rahman, 2019). This scheme aims to develop the careers and economic development of the people in Malaysia. With sufficient income, the asnaf are able to support their families as well as improve their living standards.

Urban and Community Sustainability

SDG 11 focuses on urban life around the world which faces challenges in managing a fast-paced city such as aspects of providing adequate housing and infrastructure to support a growing population, as well as environmental and disaster impacts. Thus, to ensure the successful achievement of the need for adequate, safe and affordable housing, including the provision of access to a safe, affordable, accessible and sustainable transportation system for all, improving road safety, especially by expanding public transport, and special attention to the vulnerable, women, children, the disabled and the elderly person (UNDP, 2019).

Therefore, the importance of the sustainability of the city and the community by ensuring that the asnaf have their own comfortable and safe place to live and obtain basic infrastructure facilities. A total of RM93.5 million in assistance was given to asnaf such as repairing houses and building houses for those who are qualified (LZS, 2020). Apart from that, other assistance is also provided for the construction of mosques and other basic facilities. This assistance is given to asnaf with the aim of ensuring the comfort of their lives.

Development Strategic Partner

SDG 17 aims to strengthen global partnerships to support and achieve the grand targets of 2030, bringing together national governments, the international community, civil society, the private sector and other actors. Although there has been progress in certain areas, more needs to be done to accelerate progress. All stakeholders, need to refocus and increase their efforts in areas of slow progress. It also aims to strengthen the mobilization of domestic resources, including through international support to developing countries, to increase domestic capacity for taxation and other revenue collection (UNDP, 2019).

Strategic partners for development are strategically important to achieve the goals of the SDGs because with the help of external agencies, the agendas of

the SDGs can be easily achieved. For example, building networks with institutions of higher learning, the manufacturing industry, banking, health, NGOs as well as other government and corporate agencies. This has had an impact on increasing the number of monthly financial aid recipients (Hafizah et al., 2019).

6. Conclusion

The Sustainable Development Goals (SDGs) program is seen to be beneficial to many parties and efforts to pursue the mission of sustainable development are an important international instrument in strengthening global cooperation. The effectiveness of zakat distribution is further enhanced by the huge role and efforts of Malaysian zakat institutions in general must be parallel in addressing current issues and challenges so that the lives of every community are not left behind due to the pursuit of worldly luxury alone. All parties whether the government or NGOs need to work together so that the goals of the Shariah are implemented in the effort to develop asnaf especially and indirectly the goals of the SDGs can be achieved successfully.

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