

The Implementation of Asnaf's Economic Empowerment Program (PROPER A) in Perak, Malaysia

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Abstract

Zakat does not only function as a method of financial collection but rather it is one of human devotion to Allah SWT, cleaning property and soul and helping the asnaf to continue their lives. Among the productive assistance that was triggered to help this asnaf group was through the implementation of the Asnaf Economic Empowerment Program (PROPER A). It aims to train the asnaf group to become entrepreneurs in the field of agriculture. It is carried out on land owned by the participants or the families involved. This study was conducted to review the implementation method of the Asnaf Economic Empowerment Program (PROPER A). This qualitative study uses library research methods and interviews with the officers involved in the implementation of this program specifically. This study found that this program has involved the collaboration of two important institutions, namely the Majlis Agama Islam dan Adat Melayu Perak (MAIPk) and the appointed panel or consultant company.

Keywords: Zakat, Asnaf, Agropreneur, Asnaf Economic Empowerment Program, PROPER A

Introduction

Poverty is an issue that is often discussed because it affects the economic development of the country. In order to overcome this poverty, there needs to be a holistic and continuous approach. Therefore, various initiatives have been carried out by the Malaysian Government in an effort to reduce the poverty rate in this country. This effort also received attention, especially from the Islamic religious council and zakat institutions. These agencies have helped in the government's efforts to develop the country's economy in general and especially the economy of Muslims.

There is a various of initiatives that the Majlis Agama Islam dan Adat Melayu Perak (MAIPk) provides to help the poor and needy people of Perak get out of the cocoon of poverty. There are six (6) main divisions in the Majlis Agama Islam dan Adat Melayu Perak Council (MAIPk), among which are:

- i. Division of Zakat Collection
- ii. Division of Zakat Distribution
- iii. Division of Mal and Waqf
- iv. Division of Management Services Administration
- v. Division of Finance
- vi. Division of Corporate

The division that manages the collected zakat funds is the Division of Zakat Distribution, in which there are three (3) main units, namely:

- i. Unit of Asnaf Development
- ii. Unit of Education
- iii. Unit of Asnaf Empowerment

All programs in the form of entrepreneurship and skills are placed under the supervision of the Asnaf Empowerment Unit. There are several main sections that were categorized in the field of entrepreneurship. Among them are:

- i. Field of Manufacturing
- ii. Field of Service
- iii. Field of Agriculture
- iv. Field of Animal Husbandry
- v. Field of Marketing

Figure 1 shows the Divisions allocation in Majlis Agama Islam dan Adat Melayu Perak Council (MAIPk).

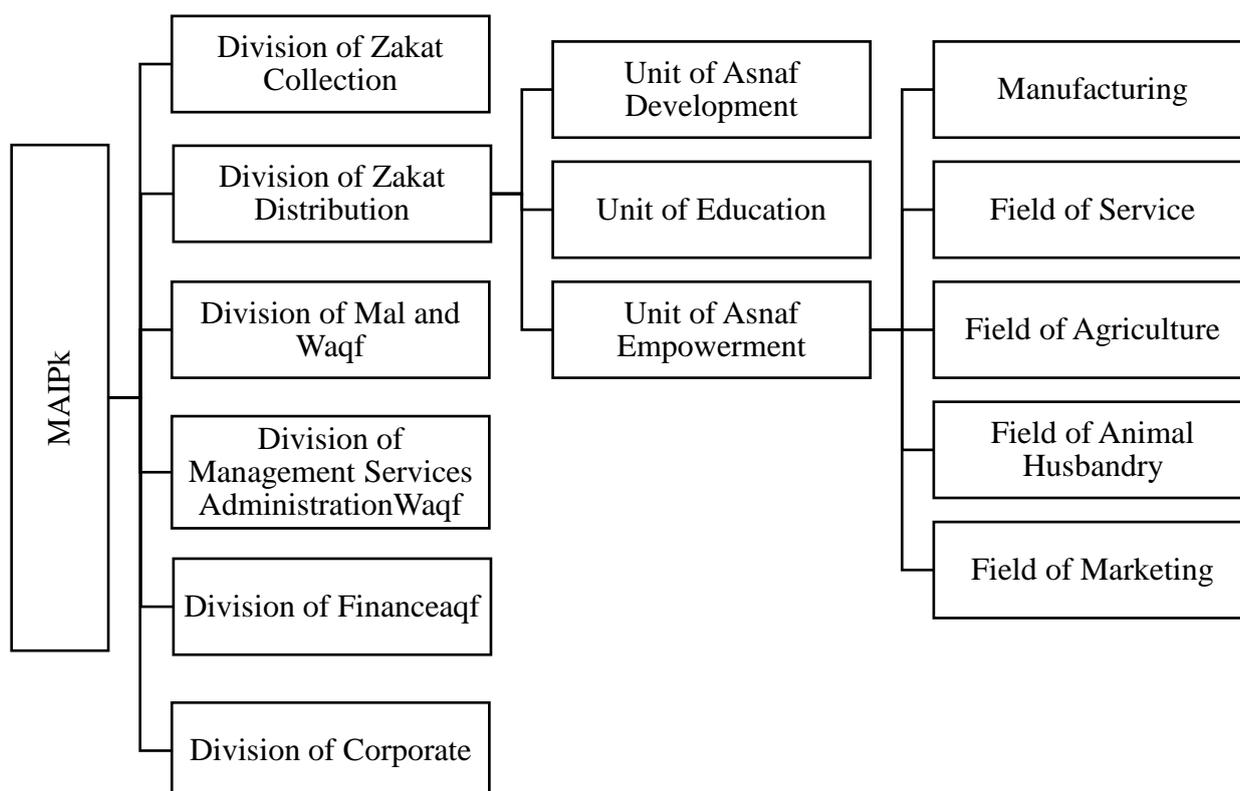


Figure 1: Divisions allocation in Majlis Agama Islam dan Adat Melayu Perak Council (MAIPk)

Literature Review

According to Jumri (2007), an asnaf entrepreneur can be defined as an individual who goes through a process of creating a business venture, is able to shoulder duties, responsibilities

and try as a businessman who is stimulated with encouragement and help from zakat institutions in Malaysia. This definition refers to individuals of the asnaf zakat group, especially those who belong to the *fakir*, poor and poor converts (*mualaf*).

While agricultural entrepreneurs are entrepreneurs who carry out business activities in the field of agriculture. Agriculture is an important field in generating the national economy. Therefore, services such as transportation, marketing and supply of equipment, seeds, fertilizers, machines and knowledge about agricultural such as training also need to be prioritized to enable farmers to increase crop production and new income (Firos et al., 2020).

Agricultural entrepreneurs have an important role in increasing the country's economic growth and positive social development because the agricultural sector provides many benefits to human survival (Aris et al., 2018) as well as opening up space and opportunities for entrepreneurs to venture themselves in the agricultural sector.

The agricultural sector is a sector that is always relevant and important from time to time to generate the national economy in terms of food supply and security. Agricultural resources are not only a need but also a necessity of life as a daily food supply. Agriculture itself has many types including fruit, vegetable, herb, log and other agriculture. In line with the National Entrepreneurship Policy (DKN) and the National Agricultural Policy (DPN) which wants to produce successful entrepreneurs who can meet human needs in providing enough food for the country.

The growth of the agricultural sector and the development of farmers must be balanced with the development of morals because agriculture in Islam must emphasize the concept of *al-falah* in prospering the agricultural land as well as increasing halal and clean food products because Islamic agriculture is agriculture that does no harm, prevents all waste, prioritizes the important in religion, avoiding all deviations, environmental destruction and environmental sustainability (Zakaria & Hasan, 2019).

The efforts that have been implemented by the Islamic religious council or the state of zakat institution in developing the asnaf economy should be continued considering that the asnaf are a group that lacks in many aspects to become entrepreneurs. This step requires the direct involvement of zakat institutions, not limited to monitoring but the direct involvement of zakat institutions in building the quality of asnaf (Ahmad, 2012) and efforts to help these asnaf continue in various fields, one of them is agriculture.

There are other strategies that can increase the success of asnaf in generating their own economy in addition to receiving business capital assistance for those who want to start a business (Rahman & Ahmad, 2011). There are other strategies that can influence the success of asnaf in transforming themselves. Focus should be given to the self-development of these asnaf entrepreneurs themselves to ensure that they are equipped with knowledge and have the skills to become successful entrepreneurs (Rahman et al., 2014).

Among the strategies that can be used to obtain the success of this asnaf entrepreneur is the method of technology transfer through joint venture and collaboration. This step requires the direct involvement of Islamic religious councils or state of zakat institutions so that the process of building the quality of life of asnaf can be achieved and able to become an entrepreneur (Ahmad, 2012).

Islamic religious councils or state of zakat institutions need to take advice from those who have direct expertise in entrepreneurship development because with their involvement they will be able to help the smooth running of the business while avoiding the waste of zakat funds (Balwi & Abd Halim, 2008). Besides that, continuous guidance and training should be

given to asnaf entrepreneurs so that they do not fail in the business they are working on and cooperation from the community is also highly encouraged in contributing to the success of asnaf entrepreneurs (Yaakub & Adnan, 2018).

Research Objective

The main purpose of the researcher to conduct this study is to review the implementation of the Asnaf Economic Empowerment Program (PROPER A) conducted in the state of Perak. This is an effort carried out by Majlis Agama Islam dan Adat Melayu Perak (MAIPk) to help the asnaf group to ease the burden of their lives while also helping the asnaf generate their own income through entrepreneurial activities.

Research Methodology

Qualitative research has its own form of data that is different from quantitative research (Jasmi, 2012). This study will use a qualitative approach. This qualitative study uses a case study as a research strategy. Qualitative means a method to explore and understand individuals or groups involved with a problem or phenomenon of people and society (Ismail & Ali, 2014). The qualitative study used is a library study to understand the concept of agricultural entrepreneurs, asnaf entrepreneurs and asnaf economic development programs. In addition, interviews were also conducted with specifically involved officials and transcribed manually by the author in relation to the implementation of the Asnaf Economic Empowerment Program (PROPER A) in the state of Perak.

Findings and Discussion

Majlis Agama Islam dan Adat Melayu Perak (MAIPk)

Majlis Agama Islam dan Adat Melayu Perak (MAIPk) is one of the statutory bodies of the state of Perak. In general, Majlis Agama Islam dan Adat Melayu Perak (MAIPk) is the main organization responsible and entrusted with managing zakat and waqf in the state of Perak. The zakat fund is an important instrument for the eight groups of asnaf who need to be helped with various forms and aid schemes that the Majlis Agama Islam dan Adat Melayu Perak (MAIPk) has prepared. It is a challenge for the Majlis Agama Islam dan Adat Melayu Perak (MAIPk) to help all asnaf groups, especially the *fakir* and poor asnaf, so that they can change their lives and bring this group out of the cocoon of poverty.

Majlis Agama Islam dan Adat Melayu Perak (MAIPk) carries out its functions by managing financial allocations obtained from the state government, waqf contributions and zakat funds. Majlis Agama Islam dan Adat Melayu Perak (MAIPk) is also involved in organizing programs, encouraging, helping and trying to improve economic, social, community administration and Islamic progress and well-being based on the laws of the state of Perak as well as taking care of welfare to help the asnaf the needy poor in the state of Perak.

Asnaf Economic Empowerment Program (PROPER A)

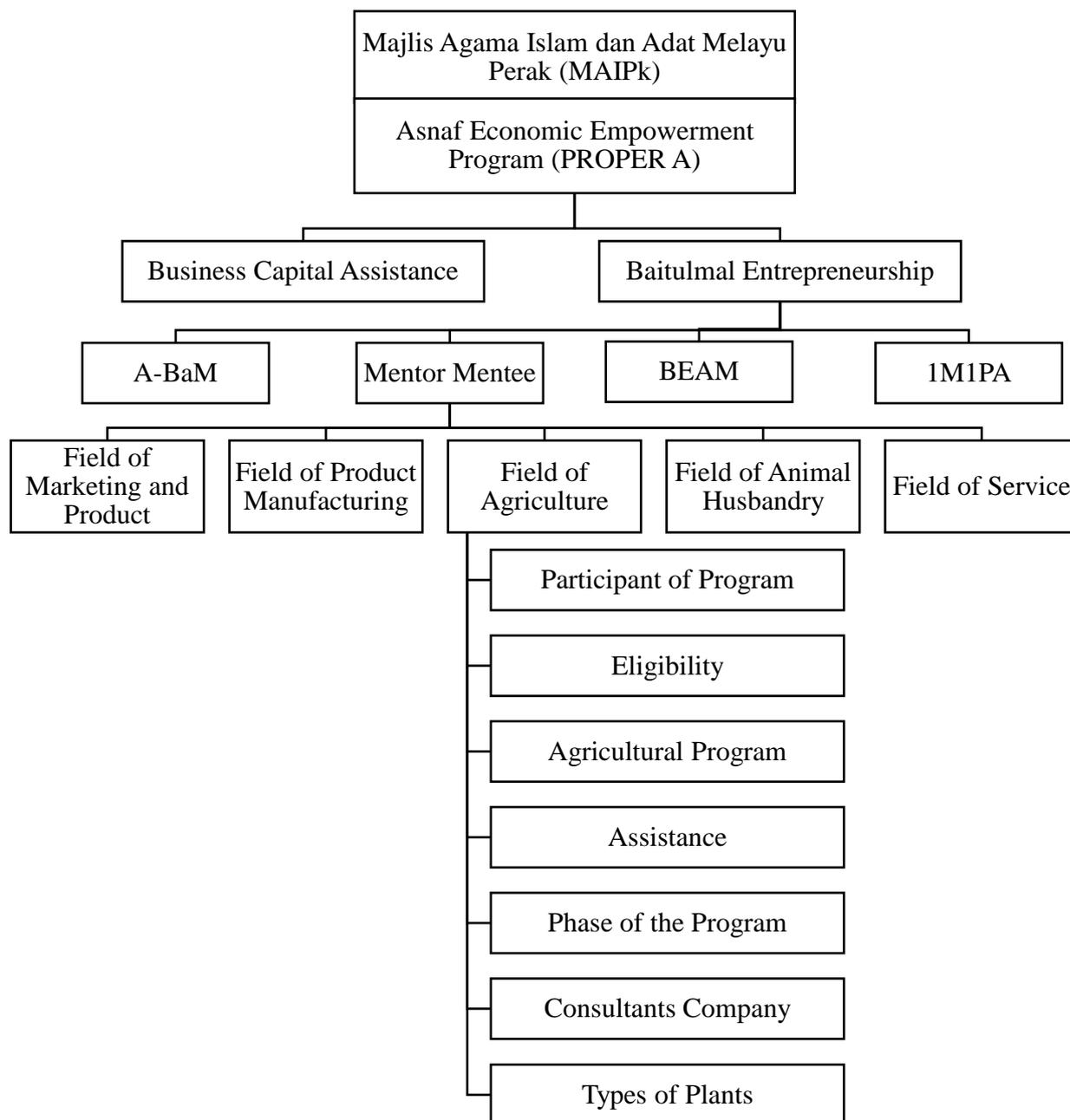
The implementation of the Asnaf Economic Empowerment Program was implemented in 2019. The abbreviation for this program is PROPER A which means that PROPER stands for economic empowerment program in Malay language while A refers to asnaf. This PROPER A was created to help improve the quality of life of asnaf by providing various forms of material and scientific aid through socio-economic approaches in line with the concept of giving a hook to the target group to enable the quality of life of asnaf to increase (MAIPk, 2020). The objective of the implementation of the Asnaf Economic Empowerment Program (PROPER A)

is to improve the socio-economic status of asnaf through increasing the household income rate. Among the main objectives of PROPER A are:

- i. to open opportunities for asnaf to improve socioeconomics in the field of business and skills, and
- ii. to provide skill training and entrepreneurship training schemes for asnaf until they become skilled workers or micro-entrepreneurs.

Figure 2: Asnaf Economic Empowerment Program (PROPER A)

Based on Figure 2 above, the implementation of the Asnaf Economic Empowerment Program (PROPER A) is divided into two methods, the first is Business Capital Assistance



which focuses on new applications through forms provided in all district offices of Majlis Agama Islam dan Adat Melayu Perak (MAIPk). Each application those requested will go through several processes that will be carried out by MAIPk officials or staff themselves. The

form of assistance provided is the provision of business equipment. While the second is the Baitulmal Entrepreneurship Training Scheme which focuses on the *fakir*, the poor and converts (*mualaf*) to provide space and opportunities in the form of guidance and equipment for them to generate income, improve economic standards and then become successful entrepreneurs and get out of the cocoon of poverty and even be able to become zakat payers.

Baitulmal Entrepreneurship Training Scheme

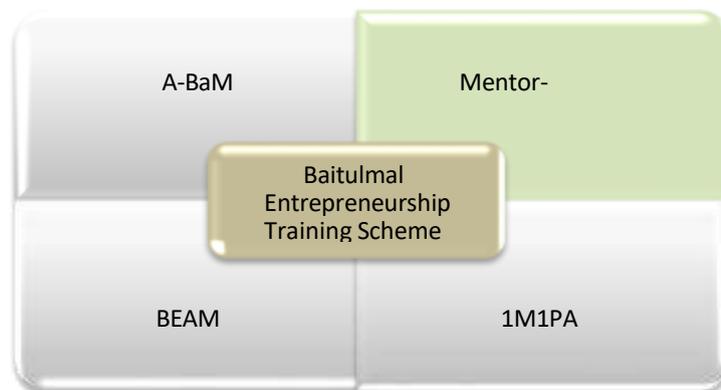


Figure 3: Programs of Baitulmal PROPER A Entrepreneurship Training Scheme

The Baitulmal Entrepreneurship Training Scheme is divided into several types of implementation programs as shown in diagram 1.2 above. Among them are Asnaf Capital Assistance (A-BaM), Mentor-Mentee, Business Entrepreneur Asnaf MAIPk (BEAM) and 1 Mosque 1 Business of Asnaf (1M1PA).

Asnaf Capital Assistance (A-BaM) focuses on existing capital assistance recipients, new applications or monthly financial assistance recipients who have potential in running a small-scale business. Participants who participate in this program will be given short-term courses such as financial courses or business account management and their income will be monitored for three months by the Majlis Agama Islam dan Adat Melayu Perak (MAIPk). The kind of assistance that will be provided is the provision of business equipment as well as other needs as appropriate.

The kind of the Mentor-Mentee program focuses on a coaching program for asnaf according to a specific field and the focus is on smaller groups (one on one coaching sessions). Appointed mentors are mentors who have expertise in the chosen and related fields. Among the fields provided are:

- i. Field of Marketing and Product Branding
- ii. Field of Product Manufacturing
- iii. Field of Agriculture
- iv. Field of Animal Husbandry
- v. Field of Service

Business Entrepreneur Asnaf MAIPk (BEAM) is a program that focuses on rebranding medium-scale asnaf businesses that are seen to be able to thrive and are given additional assistance such as the need for goods or equipment and business premises signs.

The 1 Mosque 1 Asnaf Business (1M1PA)'s program targets the mosque as a centralized place where there are various asnaf businesses. This 1M1PA program focuses on businesses in the form of cabins in the mosque area for asnaf who have potential in running a business.

The kind of assistance that will be provided is cabins and business equipment. In addition to helping asnaf, the purpose of this program was also introduced to promote the mosque and make the mosque a center of economic activity. Among the businesses that have been carried out is the business of hair cutting services.

Mentor-Mentee's Program in Agriculture

The Mentor Mentee's Program is divided into several focused areas. One of the focused areas is agriculture. The Mentor-Mentee's program in the field of agriculture is carried out from the beginning until the crops are sold. The main purpose is to provide opportunities in the form of guidance and equipment to participants in generating income as well as improving their economic status and success in the field of agriculture through collaborative learning and continuous guidance.

The participants who have participated in this agricultural entrepreneur incubator program are total of twenty people (20) and have passed the eligibility requirements which are muslim, Malaysian citizens, resident in the state of Perak, have the ability to work, age between 25 to 50 years and have own land measuring 100 X 100 feet only whether own property or family with permission for the purpose of fertigation chili cultivation.

The funds are allocated for this agricultural program are as much as RM400 thousand and are used by way of providing assistance with equipment which participants will use throughout the planting process. For the beginning of the agricultural project, participants will receive RM1,500 as land clearing assistance to ease the burden of participants to start this fertigation chili farming project.

Majlis Agama Islam dan Adat Melayu Perak (MAIPk) has appointed a panel company or consultant responsible for ensuring that this program can be implemented properly. The appointed panel companies are companies that have expertise in fertigation chili cultivation and they themselves own several thousand acres of fields and are also a large supplier of chili in the state of Perak (Majlis Agama Islam dan Adat Melayu Perak (MAIPk), 2020).

The panel company will monitor the participants involved for eight months of which the first two months are course and guidance sessions before the planting process is implemented and 6 months is the monitoring process carried out on each participant. The report on the progress of the fertigation chili plant project will be sent to the Majlis Agama Islam dan Adat Melayu Perak (MAIPk) every two months.

Action Plan and Implementation

Based on figure 4 shows the flow chart for the action plan and implementation for the Baitulmal Entrepreneurship Training Scheme. This action plan is divided into four phases which are:

1. The first phase is after the participants have successfully completed the interview process, they need to attend the Seminar of "Hijrah Minda" held by the appointed panel company to identify the problems faced by the participants before they starting the activity of fertigation chili cultivation.
2. The second phase is the phase where the panel company will teach the participants about the basics of business, finance, accounting and other basics.
3. The third phase is the phase of supplying goods to the participants according to the required requirements and not exceeding RM5000.
4. The Fourth Phase is the monitoring and guidance phase within six months. During that period, the panel company will go to each participant to monitor how the

fertigation chili planting project is going, look the planting, crop yield and so on and the report from this monitoring will be sent to Majlis Agama Islam dan Adat Melayu Perak (MAIPk).



Figure 4: Flow chart of the action plan and implementation of the Baitulmal Entrepreneurship Training Scheme

Distribution of PROPER A Participants in the State of Perak

Table 1.1 shows the distribution of participants in the Asnaf Empowerment Program (PROPER A) according to the districts in the state of Perak. The distribution of participants that participating in this program is identified in twelve (12) districts which is:

- i. Seri Iskandar,
- ii. Kampong Gajah,
- iii. Lenggong,
- iv. Pengkalan Hulu,
- v. Kuala Kangsar,
- vi. Taiping,
- vii. Selama,
- viii. Manjung,
- ix. Tapah,
- x. Teluk Intan,
- xi. Gerik, and
- xii. Bagan Datuk.

The largest number of participants were in the Kuala Kangsar and in Gerik with a total of eight (8) participants and the only one (1) participant for each Kampong Gajah, Pengkalan Hulu, Tapah and Teluk Intan.

Table 1

Distribution of PROPER A Participants in the State of Perak

| No | District | Participant | Types of Plant |
|----|----------------|-------------|-------------------|
| 1 | Ipoh | 0 | - |
| 2 | Batu Gajah | 0 | - |
| 3 | Bagan Serai | 0 | - |
| 4 | Parit Buntar | 0 | - |
| 5 | Seri Iskandar | 2 | Chili fertigation |
| 6 | Kampong Gajah | 1 | Chili fertigation |
| 7 | Lenggong | 5 | Chili fertigation |
| 8 | Pengkalan Hulu | 1 | Chili fertigation |
| 9 | Kuala Kangsar | 8 | Chili fertigation |
| 10 | Taiping | 2 | Chili fertigation |
| 11 | Selama | 2 | Chili fertigation |
| 12 | Manjung | 4 | Chili fertigation |
| 13 | Kampar | 0 | - |
| 14 | Muallim | 0 | - |
| 15 | Tapah | 1 | Chili fertigation |
| 16 | Teluk Intan | 1 | Chili fertigation |
| 17 | Gerik | 8 | Chili fertigation |
| 18 | Bagan Datuk | 5 | Chili fertigation |

Conclusion

The Asnaf Economic Empowerment Program (PROPER A) implemented by Majlis Agama Islam dan Adat Melayu Perak (MAIPk) represents a significant effort to uplift the socio-economic status of asnaf in the state of Perak, particularly through the innovative Baitulmal Entrepreneurship Training Scheme. This program, initiated in 2019, focuses on providing material and scientific aid to asnaf, with the ultimate goal of increasing their household income and improving their overall quality of life.

The various components of the Baitulmal Entrepreneurship Training Scheme, such as Asnaf Capital Assistance (A-BaM), Mentor-Mentee, Business Entrepreneur Asnaf MAIPk (BEAM), and 1 Mosque 1 Business of Asnaf (1M1PA), cater to different needs and circumstances of asnaf, fostering a holistic approach to their economic empowerment. Particularly, The Mentor-Mentee's Program in Agriculture stands out as a targeted initiative to support asnaf engaged in agricultural activities, providing guidance, equipment, and financial assistance.

The case study presented a specific example of the Mentor-Mentee's Program in Agriculture, focusing on fertigation chili cultivation. The program involves collaboration with a panel company with expertise in this field, ensuring that participants receive proper guidance and monitoring throughout the agricultural process. The allocation of funds and the detailed process, including training sessions and reporting, demonstrates the program's well-structured nature.

While the Asnaf Economic Empowerment Program (PROPER A) and the Baitulmal Entrepreneurship Training Scheme have shown promise in addressing the socio-economic challenges faced by asnaf in Perak, there are areas for potential future research and improvement

1. **Long-Term Impact Assessment:** Conduct a comprehensive study to assess the long-term impact of PROPER A on the socio-economic status of asnaf beneficiaries. Tracking their progress over an extended period would provide valuable insights into the sustainability and effectiveness of the program.
2. **Diversification of Economic Activities:** Explore the possibility of diversifying the types of businesses supported under the program. Understanding the feasibility and impact of different economic activities could enhance the program's adaptability to varying skill sets and market demands.
3. **Incorporating Technology:** Investigate the integration of technology in the training and mentoring process. Assess how digital tools and platforms can be leveraged to enhance business skills, market access, and overall program efficiency.
4. **Community Engagement and Feedback:** Conduct community engagement sessions and gather feedback from asnaf participants to understand their perspectives on the program. This qualitative aspect can provide nuanced insights into the challenges and successes experienced by beneficiaries.
5. **Replicability and Scalability:** Evaluate the potential for replicating and scaling the program in other regions. Understanding the factors that contribute to the success of the program and its scalability can guide the expansion of similar initiatives in different contexts.
6. **Policy Implications:** Explore the broader policy implications of PROPER A and similar programs. Assess how the success stories and lessons learned can inform and influence regional or national policies related to economic empowerment and poverty alleviation.

By addressing these aspects, future research can contribute to refining and expanding programs like PROPER A, ensuring their sustained positive impact on the lives of asnaf communities in Perak and potentially beyond.

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